

A low-angle, upward-looking photograph of a city skyline at night. The buildings are illuminated with warm lights, and the sky is a deep blue. A semi-transparent teal rectangle is overlaid on the image, containing the title and metadata.

Audit Committee Charter

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1. Purpose

- 1.1. This Charter governs the operations of the Audit Committee (“Committee”) of BSA Limited (“BSA”).
- 1.2. The Committee shall provide assistance to the Board of Directors in fulfilling its responsibilities in relation to BSA’s financial reporting, compliance with internal financial controls, and the external audit functions.
- 1.3. It is noted that the Board is responsible for the review of BSA’s risk management system.

2. Composition

- 2.1. The Committee shall comprise of at least three Directors appointed by the Board from time to time, all of whom are non-executive Directors. The Board’s preference is that a majority of Committee members must be independent Directors. “Independence” shall be determined in accordance with BSA’s Board Charter.
- 2.2. The Chair of the Committee shall be an independent Director, who is not also Chair of the Board.
- 2.3. Members of the Committee between them should have the accounting and financial expertise, and a sufficient understanding of the industry in which BSA operates, to be able to effectively discharge the Committee’s responsibility.

3. Meetings

- 3.1. The Committee shall meet as frequently as required, but not less than two times per year.
- 3.2. A quorum for Committee meetings shall be any two Director Committee members. Any Director who is not a Committee member may attend (but not vote at) a meeting of the Committee for discussion on particular areas of interest to that Director. The Committee may also invite management or other individuals, including the external auditor, to attend meetings of the Committee, as they consider appropriate.
- 3.3. The Committee shall report to the Board on all matters relevant to the Committee’s role and responsibilities. Minutes of Committee meetings shall be included in the papers for the next full Board meeting after each Committee meeting.
- 3.4. Draft minutes of each Committee meeting are to be prepared and forwarded to the Chair as soon as practical after the meeting and after any amendments by the Chair, to the remaining Committee members. Committee members should advise their approval or any requested amendments so that the approved minutes may be signed by the Chair at the next Committee meeting. All Minutes must be made available for inspection by any director.

4. Duties and Responsibilities

- 4.1. The Committee shall have full access to all books, records, facilities, management and other staff, and the duties and responsibilities of the Committee shall include:
 - (a) to oversee BSA’s relationship with the external auditor and the external audit function generally and to provide the link between the external auditor and the Board of Directors;
 - (b) where an internal audit function exists, oversee BSA’s relationship with the internal auditor and the internal audit function generally;

- (c) to make recommendations to the Board on the appointment, reappointment or replacement and remuneration of the external auditor;
- (d) to review and assess the independence and performance of the external auditor on an annual basis after completion of the year-end audit, based on a number of criteria but not restricted to:
 - (i) the overall comprehensiveness of the external audit plan;
 - (ii) the timeliness and quality of communications promised under the plan and delivered during the audit;
 - (iii) the competency and industry knowledge of external audit staff; and
 - (iv) the adequacy of resources to achieve the scope as outlined in the plan.

The Committee will seek feedback from management during the assessment process.
- (e) to ensure the external audit engagement partner is rotated in accordance with legislation and BSA's Policy. Rotation is normally at least once every 5 years. If appropriate, the Board may, following recommendation from the Committee, extend the eligibility term of the audit engagement partner in accordance with the Corporations Act;
- (f) to review the scope, processes and results of the external audit;
- (g) to approve any non-audit services provided by the external auditor and ensure they do not compromise auditor independence. To this end, the Committee will review and assess the independence of the external auditor, including but not limited to any relationships with BSA or any other entity which may impair or appear to impair the external auditor's judgement or independence in respect of BSA. Prior to this review, the Committee will request a report from the external auditor which sets out all relationships that may affect its independence, including the provision of non-audit services and other matters which may reasonably be thought to have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level;
- (h) to investigate any matter brought to its attention;
- (i) to engage independent counsel or other advisers as it determines necessary to carry out its duties or responsibilities;
- (j) to meet separately with external auditors without management present when it considers appropriate;
- (k) to monitor the effectiveness and appropriateness of the Company's accounting systems, financial reporting, disclosure processes and internal financial controls, and compliance therewith;
- (l) To reflect on the appropriateness of the accounting judgements or choices exercised by management in preparing BSA's financial statements;
- (m) to request the external auditor to include in the audit process specific tests and procedures as stipulated from time to time by the Audit Committee;
- (n) to review half-year and full-year financial statements and Appendices 4D and 4E and to be satisfied that these documents comply with relevant accounting standards and requirements, reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position of BSA, and to make recommendations to the Board prior to the Board resolving that the documents be filed with ASX; and
- (o) to undertake a self-assessment of its performance and Charter annually, determine its adequacy for current circumstances and to ensure it is operating effectively.