Pacific Current Group Limited

ACN 006 708 792

Audit and Risk Committee Charter

1. Introduction

1.1 The Audit and Risk Committee (**Committee**) is a committee of the Board of Directors of Pacific Current Group Limited (the **Company** and **Pacific Current**, together with its controlled entities, the **Group**).

1.2 The Board of Directors of the Company (**Board**) have established the Committee in accordance with the Company's Constitution.

1.3 This Charter sets out the scope of the Committee's responsibilities in relation to the Company and the Group.

2. Objectives

2.1 The objectives of the Committee are to:

(a) assist the Board to achieve its governance objectives in relation to:

(i) capital raising;

(ii) corporate debt facilities;

(iii) annual operating budget and actual performance against budget;

(iv) capital management;

(v) financial reporting;

(vi) the application of accounting policies;

(vii) business policies and practices;

(viii) legal and regulatory compliance; and

(ix) internal control and risk management systems;

(b) maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);

(c) promote a culture of compliance across the Group;

(d) provide a forum for communication between the Board and the Company's management (**Management**) in relation to finance, audit and risk matters affecting the Group;

(e) ensure effective internal audit (if any) and external audit functions and communication between the Board and the internal auditor (if any) and external auditor; and

(f) review and comment on Management's plans for managing the material financial and reporting risks faced by the Group.

3. Committee composition

3.1 The Committee will comprise all Non-Executive Directors.

3.2 The Board will appoint the Chair. The Chair should be an appropriately qualified independent Director and must not be the Chair of the Board.

3.3 The Committee will appoint a Secretary.

3.4 The Committee must be of sufficient size, independence and technical expertise to effectively discharge its mandate.

3.5 Each member of the Committee must be able to read and understand financial statements and at least one member must be a qualified accountant or other financial professional with appropriate experience of financial and accounting matters.

3.6 Each member of the Committee should have an understanding of the industry in which the Group operates.

3.7 The Board will decide appointments, rotations and resignations within the Committee having regard to the ASX Listing Rules and the general law applicable to such matters.

4. Financial management

4.1 The financial management responsibilities of the Committee are:

(a) assessing financial aspects of the Company's strategic plan;

(b) reviewing the dividend policy, the amount proposed to be declared and the nature and timing of dividends to be paid and make recommendations to the Board as appropriate;

(c) monitoring the progress of major capital expenditure and capital management;

(d) monitoring treasury management and financial risk management including such matters as foreign exchange and interest rate management etc.; and

(e) reviewing and monitoring any related party transaction and recommending its approval to the Board.

5. External financial reporting

5.1 The external financial reporting responsibilities of the Committee are:

(a) engaging in the proactive oversight of, and assessing the adequacy of, the Company's financial reporting and disclosure processes, overseeing and reviewing the outputs of that process and making recommendations to the Board in relation to those matters;

(b) assessing the appropriateness and application of the Group's accounting policies and principles and any changes to them, so that they accord with the applicable financial reporting framework;

(c) review significant financial and reporting issues, including complex or unusual transactions and highly judgmental areas and recent professional and regulatory announcements and understand their effect on the Company's financial reports;

(d) obtaining an independent judgment from the external auditor about:

(i) the acceptability and appropriateness of accounting policies and principles put forward by Management; and

(ii) the clarity of current or proposed financial disclosure practices as put forward by Management;

(e) assessing the appropriateness of any significant accounting estimates,judgements or choices in financial reports of the Company by asking management about the process used in making material estimates and then ask the external auditors for the basis of their conclusions on the reasonableness of management's estimates;

(f) assess management's explanations for unusual transactions or significant variances from prior year results or current year budget;

(g) assessing information from the external auditor that may affect the quality of the Company's financial reports;

(h) reviewing all quarterly, half-yearly and annual financial reports with Management, advisers and the external auditors (as appropriate) and recommending the applicable financial reports' adoption by the Board if those financial reports reflect the understanding of the members of the Committee, and otherwise provide a true and fair view, of the financial position of the Group;

(i) discussing with the external auditors, any draft *Independent Auditor's Review Report for the Half-Year ended 31 December* (**Half-Year Review Report**) *or Independent Auditor's Report on the Full-Year ended 30 June* (**Full-Year Audit Report**) *or Management Letter for the half-year or full-year*, before it is finalised;

(k) reviewing and approving as required documents and reports to regulators;

(l) following up on any matter raised by the Board regarding financial reports, audit opinions and the Half-Year Review Report or Full-Year Audit Report;

(m) establishing and overseeing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and for the confidential, anonymous submission of concerns by eligible whistleblowers in accordance with the Company's Whistleblower Policy and the *Corporations Act 2001* (Cth);

(n) reviewing Management processes supporting and verifying the integrity of external reporting, and any complaints or concerns raised internally regarding financial or accounting processes and practices; and

(o) ensuring that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.

6. Risk Management, Compliance and Internal Control

6.1 The responsibilities of the Committee regarding risk management, compliance and internal control matters are to:

6.1.1 **Risk management and internal compliance and control systems**

(a) reviewing (at least annually), the Group's overall risk management strategy and frameworks for managing all categories of risk as set out in the Company's *Risk Management Framework* to ensure there is an effective and efficient system for:

(i) identifying, assessing, monitoring, and managing risk; and

(ii) disclosing any material change to the Group's risk profile,

and make recommendations to the Board as appropriate;

(b) overseeing the establishment and implementation of risk management and internal compliance and control systems (consistent with the Risk Management Framework) and ensuring that there is a mechanism for assessing the ongoing efficiency and effectiveness of those systems;

(c) reviewing and/or evaluating:

(i) the effectiveness of the Company's risk management, compliance and internal control processes;

(ii) the Group's Risk Management Framework at least annually, and ensure that the Company discloses in relation to each reporting period whether such a review has taken place, as well as any insights gained and any changes made to the Risk Management Framework as a result;

(iii) if the Company does not have an internal audit function, the processes Management employs for evaluating and continually improving the effectiveness of its risk management and internal control processes; and

(e) receiving reports from Management concerning the Group's material risks in order to assess the internal processes for determining, monitoring and managing these risks and to monitor the risk profile of the Group;

(f) ensuring that the Company makes appropriate disclosures regarding its efforts to manage economic, environmental and social sustainability risks, including climate-related financial risks consistent with applicable reporting frameworks; and

(g) reviewing and approving (or recommend to the Board for approval where specifically required) the Company's regulatory compliance policies, receiving reports and monitoring compliance with those policies, including to refer any material incidents or breaches (including material cyber security incidents) to the Board; and

(h) overseeing the Company's Whistleblower Policy as required under the *Corporations Act 2001* (Cth), including receiving periodic de-identified reports on whistleblower disclosures and referring any material disclosures to the Board.

6.1.2 **Disclosure and financial reporting**

(a) ensuring that Management establishes a comprehensive process to capture all financial information that must be disclosed to ASX; and

(b) reviewing the Group's financial risk management framework to ensure that the Group complies with its legal obligations, including to assist the Managing Director (**MD**) and the Chief Financial Officer (**CFO**) to provide declarations in relation to each of the Group's financial reports required by Recommendation 4.2 of the ASX *Corporate Governance Principles and Recommendations (4th edition)*.

7. External Audit

7.1 The responsibilities of the Committee regarding external audit are:

(a) approving the terms of engagement with the external auditor;

(b) reviewing annually with the external auditor:

(i) the scope of, plan for and adequacy of the external audit;

(ii) identified risk areas; and

(iii) any other agreed procedures;

(c) approving and overseeing the Company's *External Audit Policy*, a copy of which is attached as **Attachment 1**;

(d) recommending to the Board for approval, the appointment or removal of the external auditor;

(e) approving the remuneration of the external auditor;

(f) regularly reviewing the performance, effectiveness and independence of the external auditor, including annual receipt of an independence report from the external auditor;

(g) developing and overseeing the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with that policy - see **Attachment 2** for *Non-Audit Services Policy*;

(h) providing advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's annual report;

(i) meeting periodically with the external auditor and inviting them to attend Committee meetings to:

(i) review their plans for carrying out internal control reviews; and

(ii) consider any comments made in the external auditor's Half-Year Review Report or Full-Year Audit Report, and in particular, any comments about material weaknesses in internal controls and Management's response to those matters;

(j) reviewing all representation letters to be signed by Management;

(k) receiving and reviewing the reports of the external auditor;

(l) ensuring that the external auditor attends the annual general meeting of the Company and

is available to answer questions from shareholders of the Company relevant to the audit.

8. Other Responsibilities

8.1 Other responsibilities of the Committee are:

(a) assessing and recommending to the Board for adoption the scope, cover and cost of insurance, including insurance relating to Directors' and officers' liability, company reimbursement and professional indemnity and if it considers appropriate, investigating any complaint or allegation made to it;

(b) reviewing and monitoring any related party transaction and recommending its approval;

(c) reviewing the procedures the Company has in place to ensure compliance with laws, regulations and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and AASB requirements), particularly those which have a major potential impact on the Company in areas such as insider trading, continuous disclosure, trade practices, occupational health and safety, and the environment; advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the adequacy and effectiveness of the Company's internal control framework;

(d) reviewing and discussing with management and the external auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs;

(e) any other responsibilities as determined by the Audit and Risk Committee or the Directors from time to time; and

(f) making recommendations to the Board in respect of these matters.

9. Committee Meetings

9.1 The Committee will meet at least four times per year, or more frequently as it considers necessary.

9.2 A quorum for an Committee meeting is two Committee members.

9.3 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically in the same place. A member who is not physically present but participating by technological means is taken to be present.

9.4 The MD, CFO and General Counsel & CCO will be mandatory attendees at each Committee meeting and the Committee may invite other persons it regards appropriate to attend and contribute to Committee meetings.

9.5 The Committee must disclose at the end of each reporting period the number of times that it met during the period and the individual attendances of its members at those meetings.

10. Minutes of Committee Meetings

10.1 The Committee must keep minutes of its meetings.

10.2 The Chair of the Committee will regularly update the Board about the Committee's activities. The minutes of each Committee meeting must be included in the papers for the next full Board meeting after each meeting of the Committee, except if there is a conflict of interest.

10.3 Minutes must be distributed to all Committee members, after the Committee Chair has approved them.

10.4 The agenda and supporting papers are available to all Directors upon request to the Committee secretary, except if there is a conflict of interest.

11. Access to information and independent advice

11.1 The Committee may seek any information or advice it considers necessary to fulfil its responsibilities.

11.2 The Committee has access to:

(a) Management, to seek explanations and information from them; and

(b) external auditors to seek explanations and information, without Management being present.

11.3 The Committee may seek professional advice from appropriate external advisers, at the Company's cost, where the Committee considers it to be necessary or appropriate. The Committee may meet with these external advisers without Management being present.

12. Review and changes to this Charter

12.1 The Committee will review this Charter at least every two years or as required.

12.2 The Board may change this Charter from time to time by resolution.

13. Approved and adopted

This Charter was approved by the Board on 2 July, 2026.

External Audit Policy

1. Appointment

1.1 The Audit and Risk Committee (**Committee**) has the responsibility and authority (subject to *Corporations Act 2001* (Cth) (**Corporations Act**) requirements) for the appointment, reappointment or replacement and remuneration of the external auditor as well as evaluating its effectiveness and independence. The Committee will review the appointment of the external auditor annually based on its assessment of the auditor's performance.

2. Assessment of External Auditor

2.1 The Committee will review the performance of the external auditor on an annual basis after completion of the year-end audit. In evaluating the effectiveness of external audit, the Committee will assess the effectiveness of the external auditor based on a number of criteria including but not restricted to:

(a) the overall comprehensiveness of the external audit plan;

(b) the timeliness and quality of communications promised under the plan and delivered during the audit;

(c) the competency and industry knowledge of external audit staff; and

(d) the adequacy of resources to achieve the scope as outlined in the plan.

The Committee will seek feedback from Management during the assessment process.

3. Independence

3.1 The Committee will review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The review and assessment will be carried out annually at the time the external auditor presents its annual audit plan.

3.2 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, financial relationships, employment and other relationships and any other matters that 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.

3.3 Before the directors approve the half-year and full year accounts, the external auditor will be asked to provide a declaration testifying to its independence in respect of the financial period in question. The external auditor will have a continuing obligation to notify the Committee, via the Company Secretary, of any new information it believes may be material to reviewing its independence.

3.4 The Committee has the responsibility to develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and to ensure compliance with that policy.

4. Rotation of External Audit Engagement Partner

4.1 The external audit engagement partner is generally required to rotate at least once every 5 years. If appropriate, the Board may, following a recommendation from the Committee, extend the eligibility term of the audit engagement partner in accordance with the Corporations Act.

Non-Audit Services Policy

1. Role of the Committee

1.1 The Audit and Risk Committee (**Committee**) is responsible for the development and oversight of the Company's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with the policy.

2. What are non-audit services?

2.1 Non-audit services mean any services provided by the external auditor which are not included in, or are not necessarily incidental to, the terms of the audit engagement. Non-audit services do not include prohibited non-audit services that are referred to in sections 3 and 4 of this Policy.

3. What are prohibited non-audit services?

3.1 Prohibited non-audit services are services that, if provided by the external auditor to the Company, would create a real or perceived threat to the independence of the external auditor.

4. External auditor may not provide prohibited non-audit services?

4.1 As a general rule, the external auditor may not provide any prohibited non-audit services to the Company.

Unless the Committee decides otherwise, the external auditor is prohibited from:

(a) providing appraisal or valuation and fairness opinions;

(b) performing internal audit services;

(c) providing advice on deal structuring and related documentation;

(d) providing tax planning and strategic advice;

(e) providing IT systems services;

(f) performing executive recruitment or extensive human resources functions;

(g) acting as a broker dealer, promoter or underwriter; or

(h) providing legal services.

However, even if a non-audit service is not listed above, it will still be prohibited if it creates a real or perceived threat to the independence of the external auditor.

Refer to APES 110 for further detail on general prohibited services.

5. Committee pre-approval of non-audit services

5.1 The Committee has pre-approved certain non-audit services to be provided by the External Auditor which are not Prohibited Non-audit Services, as described in Schedule 1, subject to the conditions specified in this Policy.

6. CFO must approve all non-audit services?

6.1 To ensure auditor independence is maintained, the Company requires all engagements of the external auditor to provide non-audit services to be approved in writing by the CFO.

7. CFO needs Committee approval for certain non-audit services

7.1 The CFO must obtain the prior written approval of the Committee before the external auditor can be engaged to perform non-audit services where:

(a) the service is not listed as pre-approved as outlined in Attachment 2; or

(b) the fee for the particular engagement exceeds $50,000; or

(b) the annual fees for all non-audit services exceed, or are likely to exceed, 50% of the auditor's annual audit fees.

8. Factors considered by the CFO/ Committee when granting approval

8.1 In assessing a request for non-audit services, the CFO / Committee is required to give consideration to:

(a) the nature of the service provided;

(b) the dollar value and period of engagement;

(c) the availability of alternate service providers and the reasoning for recommending the external auditor;

(d) the audit firm's self-assessment of its independence risk, including safeguards to mitigate perceived risks; and

(e) any other circumstances relevant to the engagement.

9. Monitoring and reporting

9.1 CFO

The CFO must report to the Committee on a periodic basis regarding.

(a) any non-audit services provided by the auditor; and

(b) the amounts paid to the external auditor for those services.

9.2 Committee

The Committee must provide an annual report to the Board with respect to the non-audit services provided by the external auditor during the year. The report must include:

(a) the amounts paid or payable to the external auditor for non-audit services provided during the year;

(b) a statement whether the Committee is satisfied that the provision of those services during the year is compatible with the general standard of independence for auditors; and

(c) the reasons for the Committee's opinion.

Schedule 1

Pre-approved services provided by the External Auditor

	Pre-Approved Fee
1. Statutory Audits for Pacific Current Group Ltd, Treasury Group Investment Services Pty Ltd, NLCP UK and NLCGD (for additional services not otherwise included in the annual engagement letters)	Up to $50,000 p.a.