

AUDIT AND RISK COMMITTEE CHARTER

1. PURPOSE AND AUTHORITY

- 1.1 The purpose of this charter is to specify the authority delegated to the Audit and Risk Committee (**Committee**) by the Board of Directors (**Board**) of GWA Group Limited (**Company**).
- 1.2 The role of the Committee is to assist the Board in the oversight of financial reporting; the internal control environment; the risk management framework, including compliance; and the assurance provided by external and internal audit.

Authority

- 1.3 The Committee has the authority and power to exercise the responsibilities set out in this charter and make recommendations to the Board.
- 1.4 The Committee will have unrestricted and unfettered access to the company's management and records as required.
- 1.5 The Committee is authorised to meet with the external or internal auditors, with or without any other member of management being present, as the Committee deems appropriate.
- 1.6 The Committee may engage any independent legal, financial or other advice as it considers necessary to adequately discharge its responsibilities under this Charter.

2. STRUCTURE AND MEMBERSHIP

Composition

- 2.1 The Committee will consist of at least three non-executive directors, the majority of whom are independent directors.
- 2.2 The Board will appoint Committee members and the Committee Chair, who will be independent and not the Chairperson of the Board.
- 2.3 All members of the Committee must be financially literate and at least one member must be a qualified accountant or a professional with experience in financial and accounting matters.
- 2.4 The composition of the Committee will be reviewed from time to time by the Board to ensure the appropriate balance of skills, knowledge and expertise.

3. MEETINGS AND ADMINISTRATION

- 3.1 The Committee will meet at least four times a year and at such additional times as the Committee Chair, any member of the Committee, any director, the Chief Financial Officer, internal or external auditor may request.
- 3.2 Any two members of the Committee constitute a quorum.

Attendance by invitation

- 3.3 Directors who are not members of the Committee will receive all committee papers, and are expected to attend each Committee meeting.
- 3.4 The Chief Executive Officer, Chief Financial Officer, internal and external auditors and Company Secretary will attend meetings by invitation, as appropriate. The Committee may ask management to present or discuss issues that are under consideration by the Committee.

Administration

- 3.5 The Chairperson of the Committee determines the meeting agenda and forward agenda after appropriate consultation with the Chief Financial Officer, and the Committee Secretary distributes the agenda and any related documents to all Committee members and other attendees no later than 1 week before each proposed meeting.
- 3.6 Minutes of meetings will be prepared, which will then be approved by the Committee and signed by the Committee Chair as soon as practicable. After approval by the Chair, the minutes will be presented at the next Board meeting.

Committee Secretary

- 3.7 The Company Secretary shall be appointed Secretary of the Audit and Risk Committee.

4. RESPONSIBILITIES

The Committee has the following duties and responsibilities:

Governance

- 4.1 Review and monitor the Company's corporate policies relevant to the Committee's responsibilities and make recommendations to the Board.
- 4.2 Review the Company's Corporate Governance Statement and make recommendations to the Board.

Financial Reporting

- 4.3 Review significant financial reporting issues and assess the appropriateness of accounting policies chosen by management and disclosures in the financial reporting, particularly those in relation to significant estimates and judgments.
- 4.4 Consider and make recommendations to the Board regarding changes to the Company's accounting policies and processes.
- 4.5 Review the half year and annual financial statements and reports presented by management, together with reports and opinions from external auditors, and make recommendations to the Board as to whether these should be approved.
- 4.6 Make recommendations to the Board as to whether financial statements should be approved.

- 4.7 Review all corporate and ASX reporting (including directors' report, annual report, investor presentations, analyst briefings, press announcements and ESG reporting), and make recommendations to the Board as to whether these should be approved.
- 4.8 Review the capacity of the Company to pay any dividend recommended from management for presentation to the Board.

Internal audit

- 4.9 Monitor the adequacy of the nature, extent and effectiveness of the internal control processes of the Company.
- 4.10 Review and approve the scope, plan, terms and budget for Internal Audit activities and initiatives.
- 4.11 Review any issues arising from Internal Audit reports, including any matters Internal Audit may wish to discuss in the absence of management.
- 4.12 Review the appointment and replacement of Internal Audit and make recommendations to the Board about these matters.
- 4.13 Review the independence, objectivity and performance of Internal Audit, including quality and effectiveness, and make recommendations to the Board about these matters.
- 4.14 Meet privately with the internal auditor without management present at least twice a year.

External audit

- 4.15 Make recommendations to the Board as to the selection, appointment, re-appointment or replacement of the external auditor, and rotation of the lead engagement partner.
- 4.16 Review with the external auditor the scope, adequacy and terms of the audit and audit fee and make recommendations to the Board.
- 4.17 Annually review the performance of the auditor.
- 4.18 Discuss and resolve any issues arising from audit reports, including any matters the external auditor may wish to discuss in the absence of management.
- 4.19 Assess the independence of the external auditor based on the information received from the external auditor and management, including reviewing any relationship that may impact the objectivity or independence of the external auditor and requiring the external auditor to provide a formal written statement bi-annually confirming its independence.
- 4.20 To review and approve the scope, fee, terms and appropriateness of any non-audit services by the external auditor prior to any engagement. The Committee may delegate pre-approval authority to the Committee Chair.
- 4.21 Meet privately with the external auditor without management present at least twice a year.

Risk management and internal controls

- 4.22 Review the Company's risk management framework and its effectiveness, including the Enterprise Risk Register at least annually, and make recommendations to the Board.
- 4.23 Refer any matters of significance to the Board or any other committee of the Board, as relevant, for its consideration and attention.
- 4.24 Review the Company's disclosures in relation to the recognition and management of material business risks, and make recommendations to the Board.
- 4.25 Regularly review managements initiatives to identify the Company's material risks and the appropriateness of the risk management processes in place to address them and operate within risk appetite, and make recommendations to the Board.
- 4.26 Review the Company's anti-fraud/corruption strategies and programs, and make recommendations to the Board.
- 4.27 Review the business continuity and disaster recovery planning process, and make recommendations to the Board.

Compliance

- 4.28 Monitor the impact of changes in laws, regulations and accounting standards relevant to the obligations of the Committee and monitor the effectiveness of the Company's policies and practices that relate to compliance with them, and make recommendations to the Board.
- 4.29 Review any material incident raised under the Company's Whistleblower Policy, Anti-Bribery and Corruption Control Policy or Policy Against Slavery, and make recommendations to the Board.

Insurance and litigation

- 4.30 Review the Company's insurance program at least annually having regard to the Company's business operations and the insurable risks associated with those operations, and assess its effectiveness, and make recommendations to the Board.
- 4.31 Review any significant litigation and insurance claims, and make recommendations to the Board.

5. REVIEW

- 5.1 The Committee will conduct an annual review of its performance and effectiveness by reference to this charter and current best practice.
- 5.2 The Committee will conduct an annual review of this charter and refer any recommended changes for decision by the Board.

Approved by the directors of GWA Group Limited on 24 November 2023.

Reviewing and approving this Charter		
Frequency	Person responsible	Approval
Annually	Audit and Risk Committee	Board of Directors

Charter review and version tracking			
Review	Date approved	Approved by	Next review date
1	Nov 2023	Board	Nov 2024
2			
3			
4			
5			
6			