

# AUDIT COMMITTEE CHARTER

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## AUDIT COMMITTEE CHARTER

### 1. Preamble

The Audit Committee is a sub-committee of the Board of Boom Logistics Limited.

### 2. Charter review

The Audit Committee Charter will be reviewed annually. Any changes will require the approval of the Board.

### 3. Objectives

The primary objectives of the Audit Committee are to assist the Directors of Boom Logistics Limited to discharge their obligations with respect to oversight of:

- the integrity and quality of interim and annual financial reporting and disclosures;
- compliance with relevant laws, regulations, standards and codes;
- adequacy of the internal control framework; and
- integrity of the internal and external audit functions.

### 4. Composition

The Audit Committee shall comprise:

- only non-executive directors;
- a majority of independent directors;
- an independent chairperson who is not the chairperson of the Board; and
- at least three members.

All members of the Audit Committee must be financially literate, with at least one member being a qualified accountant or other financial professional and some members who have an understanding of the industry in which the entity operates.

### 5. Meetings

- The Audit Committee will hold at least four regular meetings each year, with additional meetings called by the Chairman of the Audit Committee as required, or if formally requested by any member of the Committee, the Chief Executive Officer, the Internal or External Auditor.
- An annual schedule of Audit Committee meetings and activities will be established.

- After endorsement by the Chairman of the Audit Committee, the agenda papers will be distributed to all meeting invitees at least five working days prior to each meeting.
  - A quorum will comprise any two members of the Committee.
  - The Company Secretary, or nominee, will maintain a formal record of the business of each meeting.
  - A copy of the minutes of each meeting will be distributed to all Board members.
  - The Chairman of the Audit Committee will report key issues arising and any recommendations of the Audit Committee to the Board meeting following each Audit Committee meeting.
  - The following people may be invited to attend all or part of an Audit Committee meeting:
    - Chief Executive Officer;
    - Chief Financial Officer;
    - Group Financial Controller;
    - Internal Auditor;
    - External Auditor; and
    - other staff members or external parties as requested by the Committee.
- Any member of the Board may attend any Audit Committee meeting.

## 6. Duties and Responsibilities

The Audit Committee may consider any matter concerning the financial affairs of the company, the internal control environment, the internal audit, the external audit and any other issues referred to it by the Board. The Audit Committee will discharge its objectives, as defined in Section 2 above, as follows.

### 6.1 Financial Reporting

Review and make recommendations to the Board in relation to:

- all half yearly, annual and other financial reports distributed externally, with particular emphasis on the integrity and completeness of information and key disclosures;
- the integrity of the company's financial systems and processes;
- the appropriateness of the company's accounting policies and practices and consistency with current and emerging accounting standards;

Document No	Issue Date	Page	Revision:
NAT-PS-CG-021	July 2014	3 of 6	VERSION 1.0

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- its assessment of whether external financial reporting is consistent with committee members' information and knowledge and is adequate for shareholders' needs;
- its assessment of management's processes supporting external reporting; and
- its review of the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer (i.e. that the company has a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks).

When satisfied with the propriety and integrity of the financial reports and disclosures, the Audit Committee will recommend release of the information to the Board.

## 6.2 Internal Control

Monitor and report to the Board, on the establishment and maintenance of an appropriate internal control framework, including information systems.

## 6.3 Internal Audit

Monitor and report to the Board with regard to the activities and effectiveness of internal audit, including:

- approving the engagement terms and conditions of the internal auditor;
- approving the internal audit charter;
- approving the annual internal audit objectives and risk-based work plan;
- review of the internal audit reports and actions taken by management;
- review of internal audit's periodic reports on the generally observed compliance with internal control and financial practices, provided in addition to reports on specifically agreed reviews;
- overseeing the process, and review the procedures, for the selection, appointment and removal of the internal auditor; and
- assessing the performance and independence of the internal auditor and considering whether the provision of any non-audit services compromises the independence of the internal auditor.

## 6.4 External Audit

Monitor and report to the Board with regard to the activities and performance of the external auditor, including:

- review the annual audit plan of the external auditors, and approve the external audit remuneration;
- review with external auditors the outcomes of the annual audits, ensuring that any reported major deficiencies or weaknesses in controls have been identified and that appropriate and timely corrective action is taken by management;
- oversee the process, and review the procedures, for the selection, appointment and removal of the external auditor, including rotation of external audit partner and make appropriate recommendations to the Board; and
- assessment of the performance and independence of the external auditors and consider whether the provision of any non-audit services compromises the independence of the external auditors.

## 6.5 Compliance

- Review and make recommendations to the Board in relation to compliance with relevant laws and regulations and the organisational programs in place to provide reasonable assurance of compliance.
- It should be noted that this responsibility excludes Health, Safety and Environmental related compliance that is specifically dealt with by Boom's HSE&Q Committee.

## 6.7 Code of Ethics

- Ensure that a Corporate Code of Conduct is maintained and that there are processes in place for administering the Code. The Committee is to review Management's processes for promoting compliance with the code (such as training and communications), as well as the action taken in relation to any significant breaches.
- Ensure that a Speaking Up Policy is maintained and that there are processes in place for administering the Policy. The Committee is to review Management's processes for promoting compliance with the Policy (such as training and communications), as well as the action taken in relation to any significant matters reported.
- The Committee should also review and make recommendations to the Board in relation to policies and processes to manage related party transactions and potential conflicts of interest.

## 7. Information

- The Audit Committee has the authority to seek any information it requires from any employee of Boom Logistics Limited.
- The Audit Committee will publish the Audit Committee Charter and the composition of the committee on the Boom Logistics Limited website.
- The Audit Committee is authorised to take any independent professional advice as it considers necessary.
- External Audit, and Internal Audit if appointed, will have unlimited free access to members of the Audit Committee.

## 8. Review of Committee Performance

The members of the Audit Committee shall appraise the Committee's performance and the Chairman of the Committee shall report to the Board on the Committee's performance on an annual basis. The performance of the Audit Committee shall be measured against this Charter.