

## Audit and Risk Management Committee Charter

### 1 Introduction

The Board of the Sparke Helmore Partnership has established an Audit and Risk Management Committee (**ARC**). The purpose, authority, organisation and roles and responsibilities of the ARC are set out in this Charter.

References to the 'firm' in this Charter include any Partnership Entity (such as Spamil Pty Ltd).

### 2 Purpose and overview

#### Board

The Board is responsible for:

- (a) setting the strategic direction of the firm and securing competitive advantage in a way that is consistent with the firm's values;
- (b) ensuring accountability of management;
- (c) overseeing the performance of the national practice group leaders; and
- (d) acting as a guardian of the Partnership interests generally.

In performing these functions, the Board, amongst other things:

- (a) sets the risk appetite and overall risk management framework;
- (b) monitors the effectiveness of the firm's risk management strategies; and
- (c) ensures the alignment of the firm's risk management with the firm's strategic goals.

#### ARC

The purpose of the ARC is to assist the Board fulfil its responsibilities, and in particular to monitor and consider:

- (a) the integrity of the firm's financial statements;
- (b) the performance of the firm's external auditors;
- (c) the firm's compliance with its professional, legal, and regulatory obligations;
- (d) the firm's processes for identifying and responding to serious incidents and complaints; and
- (e) internal control frameworks for the management of operational, financial, people, reputational and legal risks.

### 3 Authority

The ARC is a Committee of the Board and exercises its authority, and is accountable to the Board for its performance. The Board authorises the ARC to:

- (a) perform activities within the scope of this Charter;
- (b) (in consultation with the Board) engage independent counsel and other advisers at the firm's expense to assist with its activities;

- (c) require the attendance of the firm's partners, management or staff at ARC meetings as appropriate;
- (d) have unrestricted access to members of management, partners, employees and any relevant information; and
- (e) discuss any matters with the external auditors or other external parties as reasonably necessary.

#### **4 Governance Structure and Membership**

- (a) The Chair of the Board will call for nominations for the ARC and the Board will appoint ARC members by ordinary resolution. Any partner may nominate to be appointed to the ARC.
- (b) The ARC membership will include:
  - (i) one Board member who:
    - (A) will be the ARC Chair;
    - (B) will usually be a Non-Executive Board Member; and
    - (C) will not be the Chair of the Board;
  - (ii) at least four suitably skilled, experienced or qualified partners who are not:
    - (A) National Managing Partner; or
    - (B) a member of either the Board or the Executive Committee; and
  - (iii) any other suitably skilled, experienced or qualified person the Board considers appropriate as a Supplementary ARC member who:
    - (A) may or may not be a partner; and
    - (B) will not be a member of the management team.
- (c) The Board may resolve to appoint additional ARC members.
- (d) Each ARC member, other than a Supplementary ARC member, will be appointed for a term of two years, and may be reappointed by ordinary resolution for a subsequent term of two years upon their term expiring.
- (e) A Supplementary ARC member may be appointed for a shorter term but who, during that term, will have the same rights, powers and obligations as any other ARC member.
- (f) Where a vacancy occurs, the Board may at its discretion appoint a person possessing the requisite attributes to fill that vacancy without calling for nominations, either on a temporary basis or for the remainder of the vacating person's term.
- (g) The secretary of the ARC will be appointed by the Chair of the Board.

#### **5 Meetings**

- (a) A quorum of any ARC meeting will be four ARC members.
- (b) Any member of the Board may elect to attend ARC meetings as a non member.

- (c) The National Managing Partner (**NMP**), Chief Operating Officer (**COO**), Chief Financial Officer (**CFO**); General Counsel (**GC**) and Head of Internal Legal and Risk (**HILR**) (together '**Standing Invitees**') should use reasonable efforts to attend every meeting unless excused from attending by the ARC Chair.
- (d) The ARC may invite other people, including the external auditors, to all or part of any meeting as it considers necessary.
- (e) Meetings will be held not less than four (4) times a year and should align with the firm's financial reporting and Board meeting cycles.
- (f) The secretary will circulate the minutes of meetings to ARC members for approval, following which the minutes are to be included in the papers for the next meeting of the Board. Minutes may also be circulated to the Standing Invitees. The ARC may also decide to separately prepare a report to the Board on issues of significance, or to authorise the ARC Chair to provide a verbal report.
- (g) ARC members should use reasonable efforts to attend every meeting of the ARC.
- (h) The ARC will meet either in person or electronically. In addition to regular quarterly meetings, members may communicate regularly.
- (i) The ARC will invite the external auditor to at least one meeting a year, and will seek the auditor's view of any issues arising from their audit without the NMP and CFO present.

## 6 Agenda

The Board may direct the ARC to consider specific issues, and otherwise the ARC will determine the issues to be considered at each meeting. Reports should generally be sought quarterly (where appropriate) from management on significant risks and associated issues in relation to:

- (a) People and culture;
- (b) IT security;
- (c) Data breach and privacy incidents;
- (d) Physical security incidents;
- (e) Financial processes;
- (f) Trust accounts and trust monies;
- (g) Financial statements and accounts;
- (h) Appointment and performance of external auditors;
- (i) The firm's reputation;
- (j) Potential and actual legal claims against the firm, including notifications to insurers or any relevant regulatory authority;
- (k) Conflict issues;
- (l) Regulatory compliance;
- (m) Complaints;

- (n) Modern Slavery;
- (o) Appointments of partners and senior staff to external positions (e.g. directorship).

## 7 Evaluating ARC performance

- (a) The ARC Chair will periodically report to the Board on the performance of individual ARC members and the ARC as a whole.
- (b) ARC members may report directly to the Board or the Chair of the Board of their assessment of the performance of the ARC Chair.

## 8 Review of the ARC Charter

The ARC will review the ARC Charter periodically and submit any recommended changes for approval by the Board.

<b><i>Policy owner:</i></b>	<b><i>Board</i></b>
<b><i>Contact:</i></b>	<b><i>General Counsel</i></b>
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