

Audit and Risk Management Committee Charter

Qube Holdings Limited

ACN 149 723 053

1. Introduction

1.1 Function

The Qube Holdings Limited (**Qube** or **Company**) Audit and Risk Management Committee (**Committee**) is to undertake the functions of an audit committee as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as amended and applicable from time to time (**ASX Principles**).

1.2 Objectives

The particular objectives of the Committee are:

- (a) to assist the Qube board of directors (**Board**) in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management, including:
 - (i) compliance with legal and regulatory obligations;
 - (ii) the integrity of the financial reporting of Qube and its subsidiaries (**Qube Group**);
 - (iii) oversight of the appointment and independence of the external and internal auditors;
 - (iv) the effectiveness of the Qube Group's enterprise-wide risk management and internal control framework; and
- (b) to provide strategic risk management leadership, oversight and analysis to the Qube Board;
- (c) satisfy itself that relevant information is being reported to it so that it is able to report appropriately to the Board; and
- (d) where appropriate, refer to the Safety, Health and Sustainability (**SHS**) Committee any relevant workplace safety, health, environment and social issues as well as appropriate governance matters.

1.3 Relationship with the SHS Committee and the Board

- (a) The joint purpose of the Committee and the SHS Committee is to assist the Board in fulfilling its responsibilities to oversee Qube's risk management framework. To this end, the Committee will consult with the SHS Committee to ensure that material matters most appropriately within each committee's areas of responsibility are being properly considered and overseen.
- (b) To facilitate the consultative process referred to above, the Chairs of the Committee and the SHS Committee will liaise on an ongoing basis and the joint member of the committees (see clause 2.1(e)) will raise with the Chairs for consideration any relevant issue of which he or she becomes aware.
- (c) The Committee acts as an advisory body to the Board and has no executive powers with regard to its notifications, advice and recommendations other than as may be delegated by the Board. Accordingly, the Board is not relieved of its responsibilities in respect of these matters. In accordance with Qube's Risk Appetite Statement, the Board remains ultimately responsible for determining the type and level of risk Qube will accept to meet its objectives.

2. Membership

2.1 Structure

- (a) The Committee is appointed by the Board in accordance with Rule 6.16 of the Qube Constitution.
- (b) The Committee is to consist of:
 - (i) at least three members each of whom will be appointed or removed by the Board;
 - (ii) only non-executive directors; and
 - (iii) a majority of independent directors, as determined by the Board, having regard to the ASX Principles,

(Committee Members).

- (c) Qube's company secretary will be the secretary of the Committee.
- (d) The Chair of the Committee is to be appointed by the Board (but is not to be the Chairman of the Board) and must be an independent, non-executive director.
- (e) At least one Committee Member should also be a member of the SHS Committee.
- (f) Each Committee Member must be financially literate, have familiarity with financial management and an understanding of the industry in which Qube operates. At least one Committee Member must have financial expertise (that is, be a qualified accountant or other financial professional with financial and accounting experience).

2.2 Tenure

- (a) Committee Members will be appointed for an initial term of up to two years with the appointment being subject to regular review.
- (b) Each Committee Member will be appointed and removed by the Board following, in each case, a review by the Board in consultation with the Chair of the Committee (other than in respect of the Chair's own appointment or removal).
- (c) The appointment of a Committee Member will cease if that person ceases to be a director of Qube or as otherwise determined by the Board.

2.3 Fees

Committee Members are entitled to receive remuneration as determined from time to time by the Board.

3. Meetings

3.1 Convening meetings

The Committee should meet at least four times a year. If required, additional meetings may be requested through the Committee Chair by any Committee Member, the company secretary or the external auditor of the Company.

3.2 Quorum

- (a) A quorum for a Committee meeting is two Committee Members who are independent, non-executive directors.
- (b) In the absence of the Committee Chair or appointed delegate, the Committee Members shall elect one of their number as Chair of that meeting.

3.3 Attendance at meetings

- (a) Directors who are not Committee Members may attend meetings and have access to Committee papers.
- (b) Appropriate Qube management and representatives of the external auditor, internal auditor and any person the Committee considers appropriate, are to attend Committee meetings, at the invitation of the Committee Chair, to provide reports and periodic presentations to the Committee.
- (c) The company secretary is to attend all Committee meetings and ensure minutes are taken of the meeting.

3.4 Conduct of meetings

The Committee will:

- (a) meet with Qube management if required (without the external auditor) to discuss any issues relating to the external audit; and
- (b) meet with the external auditor (without management) to discuss any relevant issues and seek assurance that no management restrictions are being placed upon the auditor.

3.5 Report

- (a) The Committee will report on its meetings to the Board at the immediately following Board meeting.
- (b) Recommendations of the Committee are to be referred to the Board for approval, with the exception of:
 - (i) rotation of partners of the external auditor; and
 - (ii) approval of the audit plans and engagement letters of the external auditor, including the payment of annual fees and variations to approved fees,which are responsibilities delegated to the Committee.

4. Authority

The Committee has authority to:

- (a) exercise the power and authority delegated to it by the Board;
- (b) make recommendations to the Board;

- (c) resolve any disagreement between management and the external and internal auditors, with areas of significant disagreement being advised to the Board;
- (d) conduct or direct any investigation required to fulfil its responsibilities;
- (e) obtain all information necessary for the performance of its duties;
- (f) obtain (at Qube's expense) legal, accounting, financial, corporate governance or other advice to perform its duties;
- (g) require the attendance of members of management at Committee meetings;
- (h) have direct access to any employee or contractor of Qube and seek any information it requires from any employee in order to perform its duties;
- (i) form and delegate full power and authority to sub-committees comprised of one or more Committee Members; and
- (j) meet with the external and internal auditors, with or without management.

5. Responsibilities and Duties

5.1 Responsibilities

- (a) The Committee is responsible for the review and monitoring of financial reporting, audit and risk management strategies, systems, policies, standards and processes implemented, and reported on, by Qube management.
- (b) Committee Members are experienced in but generally do not represent themselves as experts in the fields of accounting, auditing or risk management. As such, it is not the responsibility of the Committee directly to conduct accounting, audit or risk reviews.
- (c) Committee Members are entitled to rely on Qube management for matters within their responsibility and on the expertise of external professionals. Committee Members may rely on the accuracy of information provided by such persons, so long as the Committee Members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.
- (d) Management is responsible for:
 - (i) the preparation, presentation and integrity of the Qube Group's financial information and other information provided to the Committee;
 - (ii) implementing, managing and maintaining appropriate enterprise-wide accounting, financial reporting and risk management strategies, systems, policies, standards and processes, reporting protocols and internal controls that are designed to ensure compliance with applicable accounting standards, laws and regulations; and
 - (iii) maintaining sufficient knowledge, skills and expertise within the Qube finance and risk management functions.
- (e) The external auditor is responsible for planning and carrying out each audit and review in accordance with applicable auditing standards. The external auditor is accountable to shareholders through the Committee.

5.2 Review of Financial Information

- (a) The Committee will review the draft half yearly and annual financial statements of Qube and the Qube Group and any associated documents for public release prior to consideration by the Board, to assess whether they represent a true and fair view of the financial position and performance of Qube and the entities consolidated for reporting purposes. The Committee should focus on:
 - (i) compliance with accounting standards (including an assessment of the appropriateness of management's selection of accounting policies and disclosures);
 - (ii) significant or unusual transactions, management judgments and accounting estimates;
 - (iii) significant changes in accounting policies and practices and their impact on the financial statements;
 - (iv) underlying earnings and major judgmental areas;
 - (v) significant audit adjustments and unadjusted audit differences and recommendations to be made to the Board in relation to them; and
 - (vi) the form of the proposed opinion to be issued by the external auditor.
- (b) The Committee will review the declarations signed by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act and as recommended by the ASX Principles.

5.3 Legal and Regulatory Compliance

- (a) Without limiting its scope, the Committee will, in conjunction with the Board and Qube management, monitor the Qube Group's compliance with all relevant:
 - (i) statutory and regulatory obligations, including the ASX Principles and the ASX's continuous disclosure obligations; and
 - (ii) internal policies and procedures, including establishing a mechanism by which management must notify the Committee of any material breaches of, or incidents reported under, such policies and procedures.
- (b) The Committee will review and approve the Qube Group's tax risk management policy and compliance practices and its reporting in relation to tax matters.
- (c) The Committee will consider the effects on the Qube Group of any new or proposed accounting or tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements by receiving from management and the external and internal auditors timely reports and analyses of significant financial reporting issues.

5.4 Risk Management

- (a) The Committee will review and assess the adequacy of the Qube Group's risk management systems in light of the Qube Group's risk appetite as set by the Board. This will include:

- (i) reviewing areas of significant business risk or exposure as identified by management, including the implications of new and emerging risks, technological, organisational and structural change and their effects on Qube's strategies, acquisitions and projects;
- (ii) monitoring management's performance against Qube's risk management framework, including whether operations are being conducted within the risk appetite set by the Board;
- (iii) monitoring arrangements put in place to ensure risks are effectively managed under Qube's risk management framework, including evaluating the performance of the internal control systems and corporate reporting systems adopted by management;
- (iv) overseeing processes to ensure compliance with relevant laws and regulatory requirements;
- (v) periodically reviewing Qube's risk appetite statement and risk management policy and framework;
- (i) monitoring of insurance strategy and program for the Qube Group; and
- (ii) developing, administering and periodically reviewing a business continuity plan for the Qube Group,

but will not include the management of risks relating to safety, health, environment and related operational matters which shall be the responsibility of the SHS Committee.

- (b) The Committee will:
 - (i) assess the adequacy and effectiveness of internal control systems for the mitigation of significant business risks (other than risks relating to safety, health, environment and related operational matters);
 - (ii) approve and review internal control compliance processes for compliance with relevant laws and regulatory requirements (including receiving and reviewing quarterly management declarations in respect of any related party transactions); and
 - (iii) review any material incident involving fraud or a break-down of Qube's risk controls.
- (c) The Committee will update the Board from time to time as required and make relevant recommendations in relation to matters arising for consideration by the Committee.

5.5 External Audit

- (a) The Committee will:
 - (i) recommend to the Board the appointment, reappointment or replacement of the external auditor;
 - (ii) approve rotation of partners of the external auditor;
 - (iii) review and approve the engagement letters of the external auditor, including payment of annual fees and variations to approved fees;

- (iv) review the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures;
 - (v) ensure there are no internal restrictions or limitations placed on the auditor and monitor and review management's assistance with the auditor's inquiries and compliance with the external audit plan;
 - (vi) consider the overall effectiveness of the external auditor; and
 - (vii) resolve any disagreements between management and the external auditor regarding financial reporting.
- (b) The Committee will monitor and note compliance by the external auditor with the independence requirements imposed by the Corporations Act and will receive and review the auditor's independence declaration to be provided to the Directors of Qube by the external auditor pursuant to section 307C of the Corporations Act.
- (c) The Committee will implement a process for approval of all audit and non-audit services provided by the external auditor (who is not to be appointed to undertake any non-audit assurance services that may impair the external auditor's judgment or independence in respect of the Qube Group).
- (d) On an annual basis, the Committee will review a report from the external auditor:
- (i) confirming that the audit firm's internal quality control and conflict procedures are in place and operating; and
 - (ii) describing any material issues raised by the most recent quality control, or peer review, of the audit firm and any steps taken to deal with any such issues.
- (e) The Committee and management will agree the hiring policies for employees or former employees of the external auditor to comply with the Corporations Act and to prevent the impairment or perceived impairment of the external auditor's judgment to independence.
- (f) Prior to the annual approval of the Directors' Report, the Committee will pass a resolution to provide the Board with the written advice required by section 300(11D)(a) of the Corporations Act relating to:
- (i) whether any non-audit services provided during the year by the external auditor are compatible with the general standard of independence of auditors imposed by the Corporations Act; and
 - (ii) the reasons why the Board should be satisfied that any non-audit services provided during the year by the external auditor did not compromise the auditor independence requirements of the Corporations Act.

5.6 Internal audit

The Committee will:

- (a) review and approve the scope of the internal audit and oversee co-ordination of the internal and external audit;

- (b) review annually the independence, objectivity and performance of the internal auditors and make recommendations to the Board about appointment, re-appointment and termination;
- (c) monitor and review any restrictions placed on the internal auditors by management and resolve any disputes arising out of the internal audit function;
- (d) monitor and review management's assistance with the auditor's inquiries and compliance with the internal audit plan; and
- (e) receive summaries of significant reports to management prepared by the internal auditor and otherwise review any significant matters arising from the audit activities.

5.7 Other

The Committee shall examine any other matters referred to it by the Board.

6. Committee Performance

To determine whether it is functioning effectively, the Committee shall:

- (a) periodically review this Charter; and
- (b) ensure that an evaluation of its performance is undertaken annually.