



AUDIT & RISK COMMITTEE CHARTER

Corporate Travel Management Limited

ACN 131 207 611

Adopted by the Board on 6 November 2019



1. Composition of the Committee

1.1 The Committee must consist of:

- (a) a minimum of three members, all of whom are non-executive directors;
- (b) a majority of independent directors; and
- (c) an independent director as Chairman, who is not Chairman of the Board.

1.2 The Committee members and the Chairman will be appointed by the Board.

1.3 It is intended that all members of the Committee should be financially literate and have familiarity with financial management and the members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively.

1.4 At least one member of the Committee should have relevant formal qualifications and experience (i.e. as a qualified accountant, auditor or other finance professional with experience in financial, accounting and auditing matters).

2. Purpose of the Committee

2.1 The Committee has an advisory role (including by making recommendations in relation to the matters set out in Section 3) to assist the Board to fulfil its duties and responsibilities in relation to financial governance, external financial reporting and risk management, including:

- (a) advising on the establishment and maintenance of a framework of internal controls for the Group's overall management;
- (b) assisting the Board with policy on the quality and reliability of financial information prepared for the Board;
- (c) reviewing the adequacy of the Group's external financial reporting;
- (d) reviewing the adequacy and effectiveness of the Group's risk management framework and policies to manage the Group's identified risks, legal and regulatory obligations and to monitor their implementation.

2.2 The Committee does not have any power to commit the Board to any recommendation or decision made by it except:

- (a) for matters relating to the appointment, oversight, remuneration and replacement of the external auditors; and
- (b) where and to the extent that (in other respects) it has express delegated authority from the Board.

3. Responsibilities and role of the Committee

3.1 The Committee is responsible for:

- (a) monitoring the establishment of an appropriate internal control framework, including information systems, and its operation, and considering and recommending to the Board, enhancements to the internal control framework;
- (b) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations);
- (c) reviewing, approving and monitoring the Group's taxation governance framework;
- (d) reviewing and approving treasury policies and monitoring compliance with these policies;
- (e) reviewing management corporate reporting processes supporting external reporting, including the appropriateness of the accounting judgments or choices made by management in preparing the financial reports and statements;
- (f) reviewing financial statements and other financial information distributed externally, including considering whether the financial statements reflect the understanding of the Committee and otherwise provide a true and fair view of the financial position of the Group;
- (g) preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- (h) reviewing any proposal for the external auditor to provide non-audit services and whether the provision of such services might compromise the independence of the external auditor;
- (i) assessing corporate risk (including economic, environmental and social sustainability risks) and compliance with internal controls;
- (j) overseeing business continuity planning and risk mitigation arrangements;
- (k) reviewing external audit reports and, where major deficiencies or breakdowns in controls or procedures have been identified, monitoring remedial action taken by management;
- (l) reviewing reports on any material misappropriation, frauds and thefts from the Group;
- (m) reviewing reports on the adequacy of insurance coverage;
- (n) reviewing material transactions which are not a normal part of the Group's business; and
- (o) reviewing and monitoring compliance with the Code of Conduct.

3.2 The Committee has unrestricted access to management and to the external auditors (with or without management present) to carry out its functions.

3.3 The Committee may seek the advice of the Group's external advisers, consultants or specialists in circumstances where the Committee considers it appropriate.

4. External Auditors

- 4.1 External auditors are selected according to criteria set by the Committee which include:
- (a) the lack of any current or past relationship with the Group or with any senior executive that could impair, or risk impairing, the independent external view they are required to take in relation to CTM and the Group;
 - (b) their general reputation for independence, probity and professional standing within the business community; and
 - (c) their knowledge of the industry in which CTM and the Group operates.
- 4.2 Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement) should be rotated periodically (at least every five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Group.
- 4.3 The Committee reviews the performance of the external auditor throughout the year.
- 4.4 During each year, the Committee will meet with the external auditor to:
- (a) discuss the external audit plan;
 - (b) discuss any potential significant problems;
 - (c) discuss the impact of proposed changes in accounting policies on the financial statements;
 - (d) review the nature and impact of any changes in accounting policies adopted by the Group during the year; and
 - (e) review the proposed audit fees.
- 4.5 Prior to the announcement of the Group's half-year and full-year results, the Committee should meet with the external auditor to:
- (a) review the half-yearly and preliminary final report prior to lodgment of those documents with ASX, and any significant adjustments required as a result of the audit;
 - (b) make the necessary recommendation to the Board for the approval of these documents;
 - (c) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and monitor the implementation of any recommendations made; and
 - (d) review the draft financial report and the audit report and make the necessary recommendation to the Board for the approval of the financial report.

5. Meetings and administrative matters

- 5.1 The Committee will meet as often as the Committee members deem necessary in order to fulfil the Committee's role. However, it is intended that the Committee will normally meet four times a year.
- 5.2 Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

- 5.3 Meetings may be held by means of teleconference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for meetings of directors.
- 5.4 The quorum for a Committee meeting is any two members.
- 5.5 Non-executive Directors have a standing invitation to attend meetings except when the Committee Chairman determines otherwise.
- 5.6 The Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- 5.7 The MD&CEO, Global COO and Global CFO may be invited by the Committee Chairman to attend meetings of the Committee.
- 5.8 The Committee may invite any other person to attend for all or part of any meeting as it considers appropriate.
- 5.9 The procedural provisions of paragraphs 5.1 to 5.8 apply in relation to any sub-committee of the Committee.
- 5.10 The Committee Chairman will, if requested, provide a brief oral report at the next Board meeting as to any material matters arising out of the Committee meeting. If the Committee identifies a significant business risk, it should report that risk to the Board immediately following the relevant Committee meeting.
- 5.11 The Company Secretary has responsibility for coordinating completion and dispatch of the Committee agenda and papers, as well as preparing minutes of meetings of the Committee.
- 5.12 All minutes of the Committee must be entered into a minute book within one month of the meeting and minutes of Committee meetings will be confirmed at the next meeting of the Committee.

6. Review

- 6.1 The Committee will, at least once in each year, review the membership of the Committee to determine its adequacy, and make recommendations to the Board in relation to the Committee's membership, Charter, responsibilities, functions or otherwise.
- 6.2 The Committee will, at least once in each year, conduct a review and evaluation of the Committee's performance against the Committee Charter.