



## COMVITA LIMITED AUDIT AND RISK COMMITTEE CHARTER

**Approved by the Comvita Board: 28 November 2023**

**Next Review Date: February 2025**

### 1. Purpose and Principles

The Audit and Risk Committee is a sub-committee of the Board of Directors for Comvita Limited. The primary role and purpose of the Committee is to provide strategic input and guidance to the Board in fulfilling their oversight responsibility to the shareholders and all stakeholders with respect to:

- a. financial statements and the financial reporting process;
- b. the systems of internal accounting and financial control;
- c. the annual independent auditing process and activities;
- d. review risk management framework and management of those risks relating to , insurance, tax and treasury management;
- e. the Comvita's business ethics activities and processes.
- f. Integrated reporting and non-financial reporting framework including climate statements and associated audit process.

Comvita includes all subsidiaries and joint venture operations of Comvita Limited.

In so doing, the Committee is to maintain free and open communication between the Committee, independent auditors and the management of Comvita.

With respect to the above matters, the Committee will provide feedback and input into key matters as raised by Management. Where full Comvita Board approval is required (as indicated in this Charter and per the Delegated Authorities Policy), the Committee will review recommendations from Management and form a view as to recommending these to the full Board, or otherwise.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records and facilities and personnel of Comvita and the power to retain outside counsel or other experts for this purpose.

### 2. Review of Charter

This Charter is subject to review by the Committee every two years and any substantive change will be approved by the Board.

### 3. Committee Membership

The following are the membership requirements of the Committee:

- a. The full Board of Directors shall be responsible for the appointment and removal of Committee members by majority vote.
- b. Membership shall be comprised solely of Directors of Comvita
- c. Members shall be appointed for an initial two year term, with subsequent re-appointment being subject to annual review following the Annual Shareholder Meeting.
- d. The number of members of the Committee shall not be less than three, with a majority of the Committee being independent members of the Board. All members must be non-executive members (the Managing Director shall not be a member of the Committee).
- e. The Committee Chair shall be an independent director and be appointed by the Board. The Chair shall not be the Board Chair and should not have a long-standing association with the external auditors.
- f. All members of the Committee shall have such accounting or financial experience and/or qualifications as is deemed satisfactory by the Board.
- g. The duties and responsibilities of the members of the Committee are in addition to those as a member of the Board of Directors.



#### 4. Meetings

- a. The Committee shall meet at least three times per year. Special meetings may be convened as required.
- b. A quorum of members of the Committee shall be a majority of the members of the Committee.
- c. Management and/or other employees may only attend Committee meetings at the invitation of the Committee. The CEO and CFO will normally be present at all meetings of the Committee by invitation.
- d. All directors are entitled to attend meetings of the Committee. Only members of the Committee may vote.
- e. The meeting cycle will include meetings in the period ahead of the release of Comvita's interim and year-end financial accounts and in time to enable appropriate reporting to the full Board.
- f. Minutes of all meetings shall be kept and made available to all Directors on a timely basis.
- g. The proceedings of the Committee will be governed by the provisions of the Constitution and Board Charter that govern meetings of directors, in so far as they are applicable.
- h. Members are expected to attend all scheduled Committee meetings
- i. Meetings can be held in person, by telephone or by video conference.

#### 5. Reporting

- a. The Chair of the A&R Committee (COC) will report to the Board after each meeting.
- b. The COC shall regularly report to the Board on matters relevant to its roles and responsibilities and make appropriate recommendations.
- c. The Committee will ensure the Board is aware of matters that may significantly affect the financial condition or risk management of Comvita

#### 6. Detailed Duties and Responsibilities

To fulfil its responsibilities and duties, the Committee shall:

##### **a. Risk Management and Internal Control Framework**

- i. Review and monitor Comvita's risk management framework in relation to financial, audit, insurance, tax and treasury risks, to ensure Comvita has in place mechanisms and internal control to identify and manage areas of material business risk. Consideration should be given to the business ethics of Comvita as part of this review and monitoring review.
- ii. Ensure that processes are in place so that the Board is properly and regularly informed and updated on the above risks (including information on any material risks raised by senior management and whether the material business risks are being managed effectively).
- iii. Review and make recommendations to the Board in relation to any incident involving fraud or other break-down of Comvita's internal controls.
- iv. Review with the external auditors and Comvita's management policies and procedures with respect to material business risks, including financial and accounting controls.
- v. Review and monitor Comvita's risk profile in relation to climate change.

##### **b. Relationship with external auditors**

- i. Review and recommend to the Board the engagement, reappointment and removal or retirement of external auditors including their fee and scope and timing of their audit of Comvita's financial statements.
- ii. Establish guidelines for the selection and appointment of Comvita's external auditors. Ensure that the external auditor or lead audit partner is changed at least once every five years.
- iii. Ensure effective communication with external auditors, including direct access with external auditors (excluding Management)
- iv. Ensure the ability of the external auditors to carry out the statutory audit role is not impaired, or could reasonably be perceived to be impaired.
- v. To approve and monitor any services, if any, other than statutory audit roles that may be provided by the external auditors to Comvita.
- vi. Monitor and review independent audit practices and oversee Comvita's relationship with its



external auditors;

- vii. Ensure that the external auditors attend Comvita's Annual Meeting and available to answer questions relevant to the audit.

**c. Audit Processes and Activities**

- i. Consider, in consultation with management and the External Auditor:
  - a. The audit scope and plans of the statutory audit.
  - b. That audit effort is co-ordinated to ensure completeness of coverage, reduction of redundant efforts, avoidance of duplication and the effective use of audit resources.
  - c. The adequacy of Comvita's internal controls including computerised information system, its controls and security.
  - d. Any related significant findings and recommendations of the External Audit with management's response.
- ii. From time to time, as appropriate, actively engage Comvita's external auditors in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of such auditors and recommend to the Board appropriate action to ensure its independence.
- iii. Following completion of the annual audit, review separately with the auditors and management any significant difficulties encountered during the course of the audit, including restrictions on the scope of the work, access to required information, or completing the audit within the targeted time milestones.

**d. Internal Audit**

- i. In consultation with Management and as appropriate, in consultation with the External Auditors, Monitor and review the internal auditing processes being used.
- ii. Review and consider matters of material importance to the organisation with respect to likely impact on the financial results or impact on Comvita's balance sheet.
- iii. Where appropriate request Management to scope and undertake such reviews and/or internal audit functions to provide the Committee with satisfaction that appropriate internal controls are in place and operating satisfactorily.
- iv. Review and discuss with Management all internal audit reports and where appropriate discuss findings with the External Auditors and report back to the Board.
- v. Review resources available to undertake internal audit functions to ensure such reviews can be undertaken in completeness and to the full extent necessary in the circumstances as determined by the Committee.

**e. Financial Reporting**

- i. Review and discuss with management and the external auditors Comvita's annual audited financial statements and the interim financial statements prior to the Board publicly releasing earnings reports to the applicable security regulatory authorities.
- ii. Review and consider the external auditors report(s) on Comvita's annual and interim financial statements.
- iii. Obtain appropriate reporting from management of all significant judgements made in management's preparation of the financial statements.
- iv. Consider the external auditors' judgement about the quality and appropriateness of Comvita's accounting principles as applied and significant judgements affecting its financial reporting.
- v. Require the Chief Executive Officer and Chief Financial Officer to state in writing to the Board that to the best of their knowledge:
  - a. Comvita's financial reports present a true and fair view, in all material aspects, of Comvita's financial condition and operational results and are in accordance with relevant accounting standards; and

- b. Those reports are founded on a sound system of risk management and internal control and that system is operating effectively in all material aspects in relation to financial reporting.
- vi. Review financial reports and advise all directors whether they comply with the appropriate laws and regulations.
- vii. Review and recommend to the Board the adoption of Comvita's financial reports to external parties.

**f. Insurance**

- i. Review and approve the appointment of Comvita's insurance broker every 3 years.
- ii. Review the annual insurance programme in conjunction with management and recommend the annual insurance renewal and associated premiums to the Board.
- iii. Ensure material insurance matters are being appropriately managed and communicated to the Board.

**g. Tax Management**

Monitor and review to ensure that:

- i. Management has in place and is implementing an effective global tax risk strategy.
- ii. Comvita pays the correct tax within the framework of prudent tax management.
- iii. Comvita has in place systems and processes to ensure it meets all tax compliance responsibilities.

**h. Treasury Management**

Monitor and review to ensure that:

- i. Management has in place and is implementing an effective treasury management policy.
- ii. Comvita is operating within its banking covenants and manages and monitors any exceptions (and the applicable consenting process with the banks).
- iii. Comvita has in place systems and processes to regularly monitor, manage and report on all material treasury aspects to the Committee.

**i. Policies and Procedures**

- i. Review policies and procedures in relation to fixed assets, inventory valuation, delegations, management discretionary expenditure, expense accounts, credit cards and other benefits including the use of corporate assets and consider the results of any relevant review by Internal Audit. The Committee shall provide recommendations to the Board for the adoption of these policies.
- ii. Review the carrying value of external investments.
- iii. Review legal and regulatory matters that may have a material impact on company policies and financial reporting.
- iv. Review every two years its Charter and its activities inviting comments from all members of the Board, and recommend to the Board any appropriate changes.
- v. The Committee shall undertake other related tasks or special investigations as directed by the Board.

**j. Integrated Reporting / Non-financial Reporting**

- i. Review and provide strategic guidance on Comvita's Framework for non-financial reporting and associated audits to ensure balanced, transparent, public disclosure which connects financial, social and environmental performance.
- ii. Review and discuss with management and any external advisors Comvita's integrated / non-financial reporting prior to the Board publicly releasing such reporting.
- iii. Consider, in consultation with management and the External Auditor the audit scope and plans of



- the greenhouse gas inventory audit and any other non-financial reporting audits.
- iv. Review and consider the non-financial reporting external auditors report(s).
  - v. Review and recommend to the Board the adoption of Comvita's non-financial reporting.
  - vi. Review and recommend to the Board the adoption of Comvita's Group Climate Statements and ensure and monitor legislation compliance including record keeping obligations.

A handwritten signature in black ink, appearing to read "Julia Stankovic".

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**Signature, Chair (Audit & Risk)**

28 November 2023

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**Date**