



## **Audit & Risk Committee Charter**

**NOXOPHARM LIMITED**

ACN 608 966 123



**Contents**

1 Objectives ..... 2

2 Membership ..... 2

3 Chair..... 2

4 Secretary ..... 3

5 Other attendees ..... 3

6 Quorum..... 3

7 Meetings ..... 3

8 Authority..... 3

9 Reporting Procedures ..... 4

10 Responsibilities..... 4

11 Review of Charter ..... 8

## **1 Objectives**

The Audit & Risk Committee (**Committee**) has been established by the Board of Noxopharm Limited (**Noxopharm** or the **Company**) to assist in the oversight and review of the financial, operational and risk management of Noxopharm's activities.

The Committee is responsible for assisting the Board to meet its oversight responsibilities relating to the integrity of the financial reporting process, risk management system, internal reporting and controls, management of strategic and major financial, non-financial and operational risks and the external audit process based on the principles of accountability, transparency and responsibility.

In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, the External Auditor and Noxopharm's Senior Management.

## **2 Membership**

Members of the Committee are to be appointed by the Board.

It is intended that the Committee will comprise:

1. all non-executive Directors;
2. at least three members, a majority of which are independent;
3. at least one member who has an understanding of the industry in which the Company operates; and
4. members who are financially literate, with at least one member possessing accounting or related financial expertise and qualifications.

If Noxopharm is included in the S&P / ASX 300 Index, the Board, with the assistance of the Remuneration and Nomination Committee, must ensure that the composition of the Committee meets the requirements of points 1 and 2 above.

## **3 Committee Chair**

The Board will appoint the Chair of the Committee, who it is intended, shall be an independent non-executive Director and not the Chair of the Board.

If Noxopharm is included in the S&P / ASX 300 Index, the Board, with the assistance of the Remuneration and Nomination Committee, must ensure that the Committee Chair meets the above requirement.



#### **4 Secretary**

The company secretary will be the secretary of the Committee.

#### **5 Other attendees**

The Managing Director/CEO and CFO as well as other members of Senior Management may be invited to be present for all or part of the meetings of the Committee, but will not be members of the Committee.

Representatives of the External Auditor are invited to attend Committee meetings at least twice each year in connection with the half year and full year financial statements.

#### **6 Quorum**

A quorum will be two members.

#### **7 Meetings**

Committee meetings will be held not less than two times a year (with additional meetings as required) to enable the Committee to undertake its role effectively. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Committee, the Managing Director/CEO or the External Auditor.

All Directors of Noxopharm are entitled to attend meetings of the Committee.

#### **8 Authority**

The Committee is authorised by the Board to have all the necessary powers in order to perform its role and responsibilities set out within this charter.

The Committee has the right to:

- have access to and interview Senior Management and the External Auditors with or without Management present;
- seek advice from external consultants or specialists (at the Company's expense) where the Committee considers to be necessary or appropriate and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary or appropriate;
- obtain and seek any information it requires from any employees and all employees are required to cooperate with any request made by the Committee; and
- resolve any disagreements between Senior Management and the External Auditor regarding the Company's corporate reporting.



## **9 Reporting Procedures**

The Committee will keep minutes of its meetings.

The Committee Chair will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee bringing forward any recommendations made which require Board approval.

Copies of Committee minutes will be provided to the Board at the Board meeting following a meeting of the Committee.

## **10 Responsibilities**

The Committee is responsible for the following matters:

### *Financial Statements*

- review and make recommendations to the Board in relation to the annual and half yearly financial statements, quarterly cash flow reports and any reports which accompany published financial statements focusing particularly on:
  - review and satisfy itself that the financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of the financial position and performance of Noxopharm;
  - review and monitor any changes in accounting policies and practices;
  - review and be satisfied of the appropriateness of the accounting judgements or choices exercised by Senior Management in preparing Noxopharm's financial statements;
  - review and be satisfied with significant adjustments, accounting and financial reporting issues resulting from the internal (if that function exists) and external audit;
  - review and be satisfied with asset carrying values and impairment testing;
  - review and be satisfied with going concern considerations;
  - review and oversight of compliance with accounting policies and standards; and
  - review and oversight of compliance with legal requirements.
- review and ensure the receipt of a signed declaration by the Managing Director/CEO and CFO in respect of the integrity of the financial statements as required in

accordance with section 295A of the Corporations Act 2001 (Cth) and recommended by the ASX Corporate Governance Council.

- review and be satisfied that the verification process undertaken by Senior Management in respect of the integrity of any periodic report that is not audited or reviewed by the External Audit, is sound.

#### Related Party Transactions

- to monitor and review the propriety of any related party transactions.

#### External Audit Function

- to review and recommend to the Board the appointment and or removal of the External Auditor including the rotation of the audit engagement partner.
- annually review and satisfy itself with the performance of the External Auditor, their independence, the fees paid to the External Auditor for audit and non-audit work, and any manage any questions of resignation or dismissal of the External Auditor.
- to review and be satisfied and approve with the nature, scope and adequacy of the forward audit plans, and to ensure coordination between staff and External Auditor.
- to review and recommend to the Board any proposal for the External Auditor to provide non-audit services and whether it might compromise the independence of the External Auditor.
- to meet privately with the External Auditor (without Senior Management present) on at least an annual basis to discuss matters arising from the interim and final audits, and any matters the External Auditors may wish to bring to the attention of the Committee.
- to review and monitor that no 'management' restrictions are being placed upon the External Auditor.
- to review the External Auditor's Management Letter and Management's response including oversight of the completion of any recommendations to be.
- to review any regulatory reports on the Company's operations and Senior Management's response.

#### Internal Controls and Internal Audit Function

- review and satisfy itself of the adequacy of Noxopharm's corporate reporting processes and internal control framework.

- if the Company has established an internal audit function:
  - to review and recommend to the Board the appointment or removal of the head of internal audit.
  - to review and approve the scope of the internal audit plan and receive reports from internal audit on its reviews of the adequacy of Noxopharm's processes for managing risk.
  - to review and satisfy itself of the independence, objectivity and performance of the internal audit function.
- provide, through regular meetings, a forum for communication between the Board, Senior Management, staff involved in internal control procedures and the External Auditors.
- review and satisfy itself on the credibility and objectivity of financial and corporate reports to ensure that the information is materially accurate, balanced and provides investors (and other interested parties, including creditors, key stakeholders and the general public) with appropriate information to make informed decisions.
- establish, monitor and review the adequacy of procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism is in place for the confidential treatment of such complaints and reports including the ability to submit them anonymously - the Company's Whistleblowers Policy.

#### *Assessment of Effectiveness*

- evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating Management, internal auditor (if any) and the External Auditor.

#### *Oversight of the Risk Management System*

- review and make recommendations to the Board at least twice annually, the soundness of the Company's risk management framework to ensure that risks relevant to achieving the Company's strategic, business and reputational objectives are appropriately informed to the Board, and any suggested changes.
- monitor Senior Management's performance against Noxopharm's risk management framework including whether it is operating within the risk appetite set by the Board.



- meet periodically with key Management, internal staff and the External Auditor to understand and discuss the Company’s control environment.
- receive reports from Senior Management on new and emerging sources of risk and the risk controls and mitigation measures that have been put in place to deal with those risks.
- review and oversight of the internal processes for determining and managing key risk areas, including:
  - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law;
  - the Company’s insurance program, having regard to Noxopharm’s business operations and the insurable risks associated with the business;
  - litigation and claims; and
  - relevant business risks other than those that are dealt with by other specific committees.
- evaluate the Company’s exposure to fraud and review any material incident involving fraud or a breakdown of Noxopharm’s risk controls and the “lessons learned”.
- evaluate the adequacy and effectiveness of the identification and management of economic, environmental and social risks and its disclosure of any material exposures and management of those risks.
- reviewing the Company’s policies and practices in place with respect to the establishment of appropriate ethical standards.
- review and monitor corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- identify and direct any special projects or investigations deemed necessary.
- review and oversee the appropriate engagement, employment and deployment of all employees under statutory obligations.
- ensure a safe working culture is sustained in the workforce.
- review and recommend to the Board the Company’s Risk Appetite describing the material risks, including both financial and non-financial matters, facing the company, including any suggested changes.





- review and where considered appropriate, escalate to the Board any material breaches or incidents to the Company’s Code of Conduct, Whistleblowers Policy and Anti-bribery and Anti-corruption Policy.
- review and be satisfied with training programs for employees and other identified persons, to be aware of their obligations in respect of the Company’s Code of Conduct, Whistleblowers Policy, and Securities Trading Policy.

**11 Review of Charter**

The Committee will, at least annually, review the membership and, at least every two years, the Charter of the Committee to determine its adequacy for current circumstances. The Committee will make recommendations to the Board in amendments to this Charter.

**Version control and history:**

<b>Document owner</b>	Company Secretary
<b>Approved by</b>	Board
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