



Audit and Risk Committee Charter

Brief description

This Charter sets out the structure, roles and responsibilities of the Audit and Risk Committee.

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Custodian	Chairperson

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If you require any further information, please contact the Custodian.

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The current version of this Charter is available on GPC's Intranet.

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1 Terms and definitions

Terms that are capitalised and not otherwise defined in this Charter are defined in the GPC Corporate Glossary Instruction (as listed in Appendix 1 – Related documents).

2 Introduction

The Audit and Risk Committee was established to assist the Board in fulfilling its responsibilities in relation to its financial, internal control, commercial and investment positions and risk, governance and compliance management systems.

The Committee is directly responsible to the Board. The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other EMT members, or the reporting lines and responsibilities of either internal audit or external audit functions. The Committee is only authorised to make recommendations to the Board and does not have power to make decisions in its own right.

The Committee:

- (a) has the power to conduct or authorise investigations into any matter within its terms of reference as set out below or as requested by the Board;
- (b) is entitled to reasonable access to the EMT and Records where such access is necessary for the members to undertake their duties as members of the Committee. Access will be facilitated by the CEO or Company Secretary; and
- (c) is empowered to retain independent advice, advisors or other professionals to assist in discharging its responsibilities. GPC will pay the reasonable costs incurred by the Committee in doing so (provided that these costs are first agreed to by the Board) and reimburse directors for reasonable travel, accommodation and ancillary costs incurred in carrying out their duties and other prior-approved direct expenses.

3 Terms of reference

The Committee's role is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the following areas:

- (a) commercial policy frameworks and management;
- (b) long term financial planning, modelling, budgets and forecasts;
- (c) financial reporting processes implemented by the EMT and review of the interim and annual financial statements prior to release;
- (d) management and statutory accounts for adoption by the Board;
- (e) significant accounting and reporting risks which may impact financial reports, including professional and regulatory pronouncements;
- (f) internal and external audit oversight;
- (g) investment policies and proposals (community, property management, infrastructure);
- (h) financial investment opportunities;
- (i) procurement annual plans, policies, strategies, governance and performance;

- (j) expenditure requests outside of the Board approved annual budget;
- (k) business improvement initiatives;
- (l) integrity of assets and operations;
- (m) risk management systems;
- (a) review and monitor delegations of authority and key corporate Policies;
- (b) review and input on GPC's corporate governance framework;
- (c) review the Policies and Procedures designed to ensure compliance with continuous disclosure;
- (d) review management reports on the state of governance, including but not limited to Right to Information requests, fraud and corruption incidents, and Whistleblower complaints within GPC; and
- (e) matters relating to GPC's compliance with legislative and regulatory obligations and commitments.

In performing its role, the Committee's responsibilities include, but are not limited to, the matters listed below.

3.2 Internal accounting controls and procedures

The Committee will:

- (a) discuss with the CEO and CFO and auditors GPC's internal accounting controls, procedures and Records that are concerned with the management of risks to GPC and the reliability of financial Records, to determine that they are satisfied with the appropriateness of the Policies and effectiveness of such controls;
- (b) within the scope of the above, review the adequacy and effectiveness of the internal control structure and systems, including information security;
- (c) review, through the internal and external audit functions, whether relevant Policies, Standards and Procedures are in place and up-to-date, including those for the management and exercise of delegations, and whether they are complied with;
- (d) discuss with the CEO and CFO and the auditors recent and prospective pronouncements, developments on accounting regulatory matters and any legislative changes and review the potential impact of such pronouncements, developments and changes on GPC's financial statements and accounting Policies; and
- (e) review the risk management framework for accounting risks (in addition to risks generally, as set out in section 3.5), including fraud.

3.3 External auditors

The Committee will:

- (a) discuss with the external auditors the scope and general extent of their proposed audit strategy, annual audit plan and audit fees for the financial year;
- (b) review the external auditor's findings and recommendations, including interim audit reports and the EMT's response and action to correct any noted deficiencies. The

Committee must advise the Board of any issues of concern and the extent to which audit recommendations have been or are to be implemented;

- (c) review any other matters relevant to the audit of GPC's accounts deemed necessary to ensure compliance with the applicable laws, regulations, standards and policies, including resolution of disagreements between the CFO and the auditor regarding financial reporting; and
- (d) to the extent practicable, ensure that there is no material overlap between the internal and external audit functions.

3.4 Internal audits

The Committee will:

- (a) review internal audit arrangements, scope of work and requirements for the internal auditors to effectively carry out their audit functions;
- (b) review internal audit's charter, qualifications and resourcing;
- (c) evaluate the process for establishing the annual internal audit plan and ensure that the plan provides adequate assurance regarding the controls for key risks to GPC;
- (d) review the annual audit plan with the CEO and CFO and internal and external auditors, recognising the need to balance financial and operational auditing;
- (e) monitor results of the internal audit programme;
- (f) review the internal auditor's findings and recommendations and the EMT's response and action to correct any noted deficiencies. The Committee must advise the Board of any issues of concern and the extent to which audit recommendations have been or are to be implemented;
- (g) assure that the internal and external auditors' coordinate financial auditing plans to provide appropriate audit coverage of key business controls and financial statement risk areas and eliminate duplication of effort;
- (h) identify and communicate the Committees expectations to the internal audit function and EMT. The Committee must periodically measure the auditors' performance against these expectations;
- (i) approve the delegation of internal audit responsibility to an officer. Any proposed change of the post holder should be considered first by the Committee;
- (j) be directly responsible for making recommendations to the Board on the appointment, reappointment or replacement and remuneration of the internal auditors; and

keep under review GPC's relationship with the Internal Auditors, including (but not limited to):

- (i) their independence and objectivity;
- (ii) their performance;
- (iii) the audit fees; and
- (iv) the nature and quantum of non-audit services provided by the Internal Auditors, including the amount of fees paid for such services.

3.5 Risk

The Committee will:

- (a) review risks to GPC (including operational risks, strategic risk appetite, emerging risks and business continuity processes and management) on a quarterly basis;
- (b) review the adequacy and effectiveness of controls responding to corporate risks; and
- (c) review GPC's enterprise risk profile and management framework and its ongoing and potential exposure to emerging risks (including benchmarking risks against industry standards).

3.6 Compliance

The Committee will:

- (a) monitor the effectiveness of GPC's Policies, Procedures, frameworks and practices that relate to compliance with laws, regulations and industry standards;
- (b) monitor compliance activities within GPC and ensure that such activities are being undertaken to address any legislative or regulatory requirements and government and Governance Document requirements as they relate to the activities of GPC;
- (c) monitor the impact of changes in key laws, regulations and industry standards affecting GPC's operations;
- (d) review the findings of any examination by regulatory agencies and any auditor observations; and
- (e) review GPC's compliance management framework and monitor fulfilment of GPC's obligations and commitments (including overseeing corrective actions taken subsequent to any breach of compliance requirements).

3.7 Investment

The Committee will:

- (a) oversee the development of GPC's investment strategy, objectives and decision making;
- (b) review and recommend to the Board suitable investment proposals;
- (c) oversee the investment related risks (in addition to risks generally, as set out in section 3.5) to ensure that exposure to these risks remains within GPC's risk appetite; and
- (d) review and monitor investment matters and performance in relation to GPC's assets and services.

3.8 Commercial

The Committee will:

- (a) provide strategic advice to the Board on financial management initiatives to ensure long term financial sustainability;
- (b) monitor management of GPC's financial and commercial risks (in addition to risks generally, as set out in section 3.5), including control of financial resources; and

- (c) oversee and monitor the risk profile of GPC's commercial activities, including mitigation strategies for high-risk commercial activities.

3.9 Performance management

The Committee will:

- (a) review GPC's compliance with the performance reporting requirements of the *Financial Accountability Act 2009* (Qld), the *Financial Performance Management Standard 2009* (Qld) and the *Government Owned Corporations Act 1993* (Qld);
- (b) review whether performance management systems in place reflect GPC's mission, goals and operational objectives;
- (c) ensure there is proper explanation for any unusual transactions or trends or variations from budget; and
- (d) review all representation letters signed by the CEO and CFO to ensure that the information provided is complete and appropriate.

3.10 Reporting

The Committee will:

- (a) provide quarterly updates to the Board outlining relevant matters that have been considered by it as well as the Committee's opinions, decisions and recommendations;
- (b) prepare an annual report to the Board summarising the performance and achievements for the previous year, where required. The Committee must also attend any strategy meetings that are planned; and
- (c) acknowledge and report on the role of the Committee in GPC's Annual Report.

3.11 Other matters

The Committee may also examine other matters referred to it by the Board.

4 Membership

4.1 Composition

- (a) The Board appoints the members and Committee Chairperson. The Committee Chairperson must not be the Chairperson of the Board.
- (b) The membership of the Committee will be reviewed annually by the Board and must comprise of at least three non-executive members of the Board.
- (c) At least one member must have accounting or related financial management expertise, as determined by the Board.
- (d) At least one member will have relevant risk and compliance skills and expertise, as determined by the Board.
- (e) At least one member must have expertise in the industry in which GPC operates.
- (f) Members are appointed on the basis of personal qualities and skills and proxies are not permitted if the member is unable to attend meetings.

4.2 Roles and Responsibilities

Role	Responsibilities
Committee Chairperson	<p>The Chairperson's responsibilities include:</p> <ul style="list-style-type: none">• leadership of the Committee, ensuring its effectiveness on all aspects of its role and setting its agenda;• presiding over Committee meetings, facilitating the flow of information and discussion and directing Committee discussions to effectively use the time available to address the critical issues facing GPC;• ensuring Committee minutes properly reflect meeting discussions and outcomes; and• ensuring reporting responsibilities as set out in this Charter are met.
Officer assisting the Committee	<p>The Company Secretary is the officer assigned by the Board to assist the Committee in governance and administrative matters and is generally responsible for carrying out the administrative requirements of the Committee. In particular, the Company Secretary must:</p> <ul style="list-style-type: none">• ensure that the Committee agenda is developed in a timely and effective manner for review and approval;• ensure that the Committee papers are developed in a timely and effective manner;• coordinate, organise and attend (where invited by the Committee) Committee meetings and ensure that correct procedures are followed;• draft and maintain minutes of the Committee meetings; and• carry out the instructions of the Committee.

4.3 Committee performance

The Committees performance will be evaluated as part of the Board's evaluation processes, which occur at least every two years.

4.4 Continuing Education

Committee members are encouraged to participate in professional development and keep up to date on relevant topical issues. Committee members may, at GPC's prior approved expense, undertake professional development courses that relate to the role and function of the Committee member.

5 Conflicts of interest

Committee members are required to disclose conflicts of interest (including a Material Personal Interest (as that term is defined in the Constitution)) at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once they have been formally disclosed to the Committee and the Board in a formal Conflict of Interest Declaration Form.

If any matter is to be discussed at a meeting which would involve one or more members having a conflict of interest, it is the responsibility of the members to immediately disclose that matter (if not already disclosed) and leave the meeting for the duration of discussions that concern the conflict of interest.

6 Confidentiality

All proceedings of the Committee, including papers submitted and presentations made to the Committee, must be kept confidential and will not be disclosed or released to any person other than members of the Board, except as required by law or as agreed by the Committee or Board.

7 Meetings

7.1 Proceedings

The Committee Chairperson shall convene meetings as often as deemed necessary by the members to fulfil their duties and responsibilities. In any event, the Committee shall meet at least four times each year.

Meetings and proceedings of the Committee are governed by the same provisions regulating meetings and proceedings of the Board, unless otherwise set out in this Charter or agreed by the Board.

Meetings of the Committee shall be convened by the Company Secretary at the request of any of its members or at the request of the Board or CEO if considered necessary.

7.2 Quorum

The presence of half of the members of the Committee (not including directors suspended or on an Approved Leave of Absence (as that term is defined in the Constitution)) (rounded upwards if not a whole number) will constitute a quorum.

In the absence of the Committee Chairperson, the members will elect one of the present members to act as Committee Chairperson of the meeting.

7.3 Attendance

The CEO, the CFO and Company Secretary have standing invitations to attend all Committee meetings. However, the Committee Chairperson may ask them to leave the meeting at any time.

The EMT, Employees and external consultants engaged on relevant tasks (including GPC's internal and external auditors) may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the Board or the Committee.

Directors have a standing invitation to attend meetings of the Committee in an unofficial capacity, subject to exclusion as deemed appropriate by the Chairperson from time to time. Such attendance is unremunerated and non-voting.

7.4 Agenda Items

The agenda for a meeting is determined by the Committee Chairperson in conjunction with the CEO, CFO and the Company Secretary.

The agenda and committee papers are to be delivered to members at least five business days in advance of each meeting. Late papers may be accepted with the approval of the Committee Chairperson.

All directors, the internal auditor and external auditor will have access to Committee papers.

7.5 Minutes

Minutes are to be prepared for each meeting by the Company Secretary.

The draft minutes for each meeting are to be circulated and reviewed by all Committee members as soon as practicable and no later than two weeks after the meeting.

Minutes of the meeting are to be ratified at the next meeting of the Committee. The Committee Chairperson must sign the minutes as soon as possible once ratified.

Previous Committee meeting minutes may be circulated to invited guests that attended that relevant meeting, as deemed appropriate by the Chairperson.

8 Appendices

8.1 Appendix 1 – Related documents

(a) Gladstone Ports Corporation documents

The following documents relate to this Charter:

Type	Document number and title
Tier 1: Policy	#174070 Conflicts of Interest Policy
	#1517213 Delegations of Authority Policy
	#1412364 Enterprise Risk and Resilience Policy
	#1603663 Fraud and Corruption Policy
Tier 2: Standard/Strategy	#1593454 Whistleblower Protection Procedure
	#941363 Public Interest Disclosure Procedure
	#1447372 Conflicts of Interest Procedure
	#1634161 Fraud and Corruption Standard
	#1522205 Whistleblower Protection Procedure
	#1641103 Delegated Authority Specification
Tier 3: Specification/ Procedure/Plan	#236541 Fraud and Corruption Control Plan
	#1405454 Gifts and Benefits Procedure

Type	Document number and title
	#25771 Managing Travel, Hospitality, Entertainment and Related Expenses Procedur
Tier 4: Instruction/Form/Template/Checklist	#1621179 GPC Corporate Glossary Instruction #1593453 Public Interest Disclosure Manual #1435549 Conflict of Interest Declaration Form #1634161 Fraud and Corruption Reporting Checklist #1645571 Gifts and Benefits Declaration Form
Other	#212207 GPC Constitution #1466099 Committee Calendar

8.2 Appendix 2 – Revision history

Revision date	Revision description	Author	Endorsed by	Approved by
20/12/2005	Audit, Compliance and Risk Management Committee Review	Michael Galt, Commercial General Manager	Leo M Zussino, Chief Executive Officer	Board
17/07/2007	Review	Peter Sharpe, Board Secretary	Leo M Zussino, Chief Executive Officer	Board
31/07/2009	Review by Deloitte.	Peter Sharpe, Board Secretary	Leo M Zussino, Chief Executive Officer	Board
24/11/2015	Review internally and by Deloitte.	Mariette Lansdell, Board Secretary	Craig Doyle, Chief Executive Officer	Board
20/02/2018	Annual review.	Sohana Maharaj, Chief Governance Officer	Peter O'Sullivan, Chief Executive Officer	Board
28/02/2019	Annual review. Amend erstwhile Audit and Compliance Committee to include finance, investment and commercial into the charter, renamed FICA Committee.	Sohana Maharaj, Chief Governance Officer	Craig Walker, Acting Chief Executive Officer	Board
08/09/2020	General legal review to ensure compliance with GPC's constitution and Board Charter.	Rufus Gandhi, General Counsel and Company Secretary	Craig Walker, Acting Chief Executive Officer	Board
16/12/2020	Update to reflect changes to Board Committee structure.	Rufus Gandhi, General Counsel and Company Secretary	Craig Walker, Acting Chief Executive Officer	Board
9/02/2022	General internal review to reflect changes to Board	Mariette Lansdell,	Paul Heagney,	Board

Revision date	Revision description	Author	Endorsed by	Approved by
	Committee structure and Committee terms of reference	Acting Company Secretary	Acting Chief Executive Officer/ Jenelle Druce, Acting Chief Financial Officer	