



## Bioxyne Limited

### Audit and Risk Management Committee Charter

#### 1. Role

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The Audit and Risk Management Committee (**Committee**) is a sub-committee of the board of directors (**Board**) of Bioxyne Limited (**Bioxyne** or **Company**).

The Committee's role is to assist Bioxyne's Board fulfill its responsibilities in relation to:

- financial reporting principles and policies, controls and procedures;
- the integrity of Bioxyne's financial statements;
- external and internal audit functions;
- internal control processes and effectiveness, including controls to safeguard Bioxyne's assets;
- risk identification, mitigation and management; and
- compliance with applicable legal and regulatory requirements.

#### 2. Committee membership

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Bioxyne's Board will appoint and remove the members of the Committee and the chair of the Committee (the **Committee Chair**).

The Committee will comprise at least two members. All members must be non-executive directors and a majority of the non-executive directors must be independent. Cessation as a director of the Board will automatically terminate appointment as a member of the Committee.

The Board will seek, where possible and appropriate having regard to the qualifications, skills and experience of the directors, to appoint as Committee Chair a non-executive director who is independent. In the event that the independent non-executive directors of Bioxyne are not eligible or available to serve as the Committee Chair, the Board will appoint as Committee Chair a non-executive director who is not independent. The Committee Chair will not be the Board chair.

All Committee members must be financially literate, and to the extent practicable based on the composition of the Bioxyne's Board from time to time, at least one member will have accounting and/or related financial management expertise. In addition, at least one member of the Committee should have legal or regulatory expertise or be deemed to be a risk expert.

A member of the Committee may, with the approval of the Committee Chair and at Company expense, attend seminars or training courses in respect of issues related to the industry in which the Company operates, and the functions and responsibilities of the Committee.

#### 3. Committee meetings – procedural requirements

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##### 3.1. Frequency

The Committee will meet regularly, at the time determined by the Committee Chair, but not less than two scheduled times a year. A Committee Chair, and other member



of the Committee or the external auditor may request that a meeting of the Committee be convened at any other time.

The number of times the Committee met during the past year and individual attendances of the members at those meetings will be included in Bioxyne's annual reports.

### **3.2. Invitees**

- All Bioxyne directors have a standing invitation to attend Committee meetings. Members of management may be invited to attend any Committee meeting, as the Committee considers necessary.
- Any member of the Committee may, with the Committee Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.
- The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer (as applicable) will be routinely invited to attend Committee meetings, unless the Committee Chair decides otherwise.
- The partner in charge of the external audit will be invited to relevant parts of meetings as deemed necessary by the Committee Chair.
- Other senior executives may be invited to attend relevant parts of meetings.
- The Committee Chair will, at least once per year, call a meeting with the external auditor independent of management.

### **3.3. Quorum**

A quorum may be formed by two Committee members, unless otherwise stipulated by the Board, although all members are expected to attend (either in person or by conference call or similar means) and participate.

### **3.4. Method and materials**

- Committee papers and minutes of Committee meetings will be prepared as soon as practicable following a meeting and will be distributed to the members of the Committee for approval and to all other Board members. A report on matters addressed by the Committee will be provided at the next Board meeting.
- If the Committee Chair is absent from a meeting and no acting Committee Chair has been appointed, the members present may choose one of them to act as Committee Chair for that meeting.
- Committee meetings may be held or participated in by conference audio or video call or similar means, and decisions may also be made in writing by circular or written resolution.
- Bioxyne's Company Secretary will attend all Committee meetings and provide any assistance required by the Committee Chair in relation to preparation of the agenda, minutes or papers for the Committee.

### **3.5. Voting**

- Each Committee member will have one vote.
- The Committee Chair will not have a casting vote. If there is a tied vote, the motion will lapse.



- The Committee may ask any person to withdraw from any part of any meeting where there is a potential conflict of interest.

### **3.6. Other**

Following each Committee meeting, the Committee Chair will report to the Board on any matter that should be brought to the Board's attention, and on any Committee recommendation that requires Board approval or action. All recommendations on Board decisions are subject to Board approval.

## **4. Duties and responsibilities**

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The Committee's primary responsibility is to report to the Board and provide appropriate advice and recommendations on matters relevant to this Charter, in order to facilitate Board decision-making.

### **4.1. Financial reporting and the integrity of the financial statements**

In order to fulfil its responsibilities to the Board, the Committee will:

- monitor Bioxyne's financial and liquidity position, review whether BIOXYNE has sufficient financial resources to achieve its strategic plan, and monitor and confirm that it is able to meet its debts and other obligations when they are due;
- review, with management and Bioxyne's external auditor, Bioxyne's financial statements intended for external publication, and make Board recommendations about approvals required, including prior to approval of the financial statements for a financial period, receiving from the Chief Executive Officer and the Chief Financial Officer a declaration that, in their opinion, the financial records of Bioxyne have been properly maintained, that the financial statements comply with the appropriate accounting standards and provide a true and fair view of Bioxyne's financial position and performance, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- review all representation letters signed by management in connection with Bioxyne's financial statements to ensure that all relevant matters are addressed;
- review and report to the Board on the results of the half-year review and the full year audit and any other matters required to be communicated to the Committee by the external auditor under generally accepted accounting standards;
- review and report to the Board on the adequacy of the processes used to prepare the financial statements, including the appropriateness of the accounting judgments or choices exercised by management; and
- review Bioxyne's accounting policies and financial reporting practices to ensure their suitability and compliance with generally accepted accounting practice and applicable accounting standards. The Committee will assess the impact of changes in accounting standards and review recommendations for adoption of any changes in the financial accounts.



Where Bioxyne is required to provide a periodic report to the market that has not been audited or reviewed by an external auditor, the Committee must first review the draft report and once it is comfortable, present it to the Board for sign-off prior to its release to market.

The Committee Chair or, if the Committee Chair is not available, a Committee member should attend Bioxyne's annual general meeting (**AGM**) and be available to answer any questions from shareholders about the Committee's activities or the conduct of the audit and financial reporting. Bioxyne's external auditor is invited to each AGM.

#### **4.2. External audit functions**

In order to fulfil its responsibilities to the Board, the Committee will:

- make recommendations to the Board on the appointment, reappointment or replacement (subject to shareholder approval) of the external auditor. The Committee will monitor and report to the board on the effectiveness, performance and independence of the external auditor;
- review, approve and report to the Board on the fees for and terms of the external auditor's engagement, and on the scope and adequacy of the audit plan of the external auditors;
- review and report to the Board on the provision of any non-audit services by the external auditors and whether it might compromise the independence of the external auditor, and the rotation of the audit engagement partner;
- review with the external auditor any audit problems or difficulties the auditor encounters in the normal course of audit work including any restriction on audit scope or access to information; and
- discuss with the external auditor the quality of accounting policies applied in Bioxyne's financial reporting.

#### **4.3. Internal audit functions**

As at the date of this Charter, Bioxyne does not have an internal audit function, and relies on the processes set out in section 4.4 to maintain internal controls and compliance.

The following provisions will apply at any time that Bioxyne employs an internal audit function. In order to fulfil its responsibilities to the Board, the Committee will:

- where an internal auditor has been appointed, ensure that they have a direct line of communication to the Committee Chair and sufficient independence to fulfil the role;
- review, with management and the internal auditor, the scope and activity of the internal audit function;
- meet with the internal auditor and management to review internal audit reports and monitor management responses;
- meet separately with the internal auditor, at least once a year, to discuss any matters that the Committee or internal auditor believes should be discussed privately;
- review the effectiveness of the internal audit activity; and



- ensure there are no unjustified restrictions or limitations, and consider and approve the appointment, replacement or dismissal of the internal auditor by management.

#### **4.4. Internal controls and compliance**

The Committee will review and report to the Board on the overall adequacy and effectiveness of:

- internal control systems, including accounting and financial controls, and compliance with those controls;
- controls and processes to safeguard Bioxyne's assets;
- compliance with applicable laws and regulations, including taxation compliance;
- ethical compliance, including Bioxyne's Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblower Policy; and
- Bioxyne's insurance coverage, having regard to the Company's business and the associated insurable risks.

The Committee will review and report to the Board on:

- any material threatened or actual claims or issues of which the Committee is aware in relation to taxation and legal matters;
- any recommendations in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board; and
- any material incident of which the Committee is aware implicating non-compliance with internal controls, incidents of fraud or a break-down in the Company's risk controls, and report on the "lessons learned".

Following each Committee meeting, the minutes of the Committee meeting must be circulated to all members of the Board.

#### **4.5. Risk Management**

The Committee will:

- assess and review the overall adequacy and effectiveness of Bioxyne's risk management framework, and the methodology and processes for assessing, monitoring and managing financial and non-financial risks (including confirming that Bioxyne's risk management approach continues to be sound and effectively identifies new areas of potential risk);
- monitor management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board;
- consider whether Bioxyne has any material exposure to environmental or social risks, and if it does, report to the Board on how it should be managing those risks;
- receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;



- assess and review whether adequate policies and procedures have been designed and implemented to manage identified risks, including a risk register that describes the material risks; and
- assess and review whether processes are in place to ensure that proper remedial action is undertaken to address areas for improvement.

The Committee will conduct the reviews set out above at least annually and report to the Board with the results. The Company will disclose in each reporting period whether the above reviews have taken place.

#### **4.6. Related party transactions**

The Committee will review and monitor related party transactions and investments involving Bioxyne and its directors and senior executives. Any material related party transactions must receive the prior approval of the Committee before they are entered into.

### **5. Authority**

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The Committee has authority to seek any information it requires from any officer, employee or contractor of the Company, who are correspondingly instructed by the Board to respond to the Committee's enquiries.

The Committee will not take any actions or make decisions on behalf of the Board unless specifically mandated. However, the Committee has the delegated authority of the Board to fulfil the duties and responsibilities in this Charter, subject to the Committee keeping the Board informed of its activities, and subject to any legal or regulatory obligation on the Board, to:

- retain, terminate and consult with outside or other independent external advisers (including any external accounting, legal, tax or other professional advisers, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives, acting reasonably) at Bioxyne's expense;
- discuss directly with management or the external auditors any issue within its remit and to request reports, explanations and information;
- access those internal resources as it may consider necessary or desirable to fulfil its objectives;
- delegate any of its responsibilities to the Committee Chair on any occasions the Committee considers appropriate;
- investigate any activity within the Committee's responsibilities under the terms of this Charter;
- communicate with any Bioxyne employee to seek any information required for the Committee to carry out its role; and
- deal with matters requiring a decision by way of written resolution. A written resolution will be deemed to have been passed once a majority of members eligible to vote have signed it and will be effective the date the last member constituting the majority signs. That written resolution is as valid and effective as if it had been passed at a meeting of the Committee duly convened and held.



## **6. Review of Charter**

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This Audit and Risk Management Committee Charter and the Committee's performance against this Charter will be reviewed at least every two years and may be updated from time to time as and when determined by the Board.