



KINA ASSET MANAGEMENT LIMITED

Company No.1-61047

Audit & Risk Committee Charter



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1. Establishment

The Audit and Risk Committee shall be a committee of the Board established by resolution of the Board.

2. Purpose

The purpose of the Audit and Risk Committee is to assist the Board in the **efficient and effective** performance of its statutory and prudential duties and obligations to shareholders by providing a concentrated focus on the external audit process, the quality and security of internal controls, the accuracy of financial data, the identification and management of risk and the possibility of fraud.

All matters within this remit will be referred to the Committee unless the Board wishes to deal with a matter directly. The Committee may initiate consideration of any matter within its remit subject to confirmation by the Board.

3. Duties and Responsibilities: Audit Financial Reporting and Internal Control

- review KAML's half and full year statutory financial reports and consider whether they are consistent with information known to the Committee members and reflect appropriate accounting principles, standards and regulations;
- oversee the financial reporting process;
- review key aspects of the KAML's major market update presentations for the half and full year statutory reports;
- receive assurances from the External Auditor that those presentations are consistent with audited statutory accounts;
- receive key audit reports and ensure corrective actions are undertaken in a timely manner to address any control weaknesses or areas of non-compliance with policies, procedures or regulations;
- recommend the appointment or, if necessary, the removal of the External Auditor to the Board for approval by the shareholders; and
- oversee and appraise the independence, adequacy and effectiveness of the External Auditor (including the rotation of the external audit partner), and review and approve the External Auditor's fee and terms of engagement;

4. Duties and Responsibilities: Risk Management

The duties and responsibilities of the Audit and Risk Committee are to:

- assess KAML's risk culture;
- review as may be required from time to time KAML's relations with regulatory agencies



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(including significant correspondence with the regulators) and report any significant issues to the Board;

- monitor adherence to risk policies;
- receive and discuss any breach reports dealing with material breaches of laws and regulatory requirements relating to any part of KAML;
- consider any significant trends emerging that have the potential to adversely affect KAML and consider the need for new measures to limit the risk; and
- review and discuss any reports concerning material violations of laws and regulatory requirements relating to KAML.

5. Committee Membership

The Audit and Risk Committee shall comprise at least three members appointed by resolution of the Board. All members must be non-executive directors with a majority being independent directors.

Members shall be appointed for a term of three years renewable, subject to review by the Board.

The Chairman of the Committee shall be appointed by the Board and must be an independent director. The Chairman of the Board may be a member of the Committee but must not be Chairman.

When appointing members of the Audit and Risk Committee, the Board shall have regard to the need for at least one member to hold a recognised qualification in a finance-related discipline and for all members to be financially literate.

When appointing members of the Audit and Risk Committee, the Board shall have regard to the need for all members to have a sound understanding of the concept of risk and the principles of managing risk.

The current members of the Committee (including their qualifications and experience), the number of Committee meetings and Committee members' attendance at those meetings will be disclosed in the Company's annual report or on the Company's website.

6. Meetings

The Audit and Risk Committee shall meet as frequently as is required to undertake its role effectively but not less than half yearly.

A quorum shall be one half of the appointed members of the Audit and Risk Committee (rounded upwards if not a whole number). The Committee must not transact business unless a quorum is present.

No one other than members of the Audit and Risk Committee shall be entitled to attend



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meetings of the Committee, but the Committee may invite other non-executive directors to attend. Senior management must attend the meetings of the Committee when requested to do so by the Committee.

Any member of the Committee may request a meeting at any time.

A record must be kept of all meetings, recommendations and decisions of the Audit and Risk Committee. The minutes of meetings must be presented to the Board promptly following a meeting of the Audit and Risk Committee. The Chairman of the Committee must also provide a brief report to the Chairman of the Board following every meeting of the Committee.

7. Powers of the Audit and Risk Committee

The Audit and Risk Committee shall have absolute right of access to any information held by KAML that it requests including:

- all internal and external (including risk-related) correspondence;
- all personnel records;
- minutes, records and file notes of all management meetings;
- all contracts;
- all financial transactions; and
- all financial accounts (whether in draft or final form, audited or unaudited).

The Audit and Risk Committee shall have unfettered access to all members of the senior Management team, executive staff holding Responsible Person positions, and the External Auditor. All staff must respond promptly and openly to questions from the Committee and requests for explanations.

The Audit and Risk Committee may, with the approval of the Chairman of the Board, retain independent legal, accounting, taxation, risk management or other professional advisors to the extent the Committee considers necessary at KAML's expense.

8. Reliance on information or advice provided by others

Members of the Audit and Risk Committee shall be entitled to rely on the advice and expertise of executives, legal counsel and other advisers acting within the scope of their professional discipline subject to the normal requirements of diligent inquiry and rational consideration.

9. Amendments to this Charter

The Audit and Risk Committee shall periodically review the adequacy of this Charter and may recommend to the Board any amendments it considers appropriate.