

Audit & Risk Committee Charter

The Board of Bhagwan Marine has established an Audit & Risk Committee. This Charter outlines the committee's roles, responsibilities, and terms of operation and should be read in conjunction with the Board Charter.

1. Purpose & Responsibilities

The purpose of the Audit and Risk Committee (**Committee**) is to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to Bhagwan Marine's financial reporting and risk management.

The responsibilities of the Committee include oversight of:

- a) statutory financial reporting and reporting related to tax, climate change, and modern slavery;
- b) the external audit function;
- c) the implementation and operation of the Risk Management Framework and the adequacy of the insurance program;
- d) the Code of Conduct and Speak-up Policy; and
- e) information security and cyber security posture.

The Board has delegated to the Committee the responsibilities set out in **Attachment 1**.

2. Authority

Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board.

The Committee does not have any powers to commit the Board or management to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board.

The Committee has the authority to conduct or direct investigations into any matters within its Charter.

The Committee is not responsible for supervising the performance of management and does not become involved in day-to-day operations, management functions or decision-making.

3. Committee Composition

The Committee will comprise at least two members who are Non-Executive Directors.

The Committee members will be appointed by the Board. The Managing Director & CEO (**MD/CEO**) and the Executive Director Finance may not be members of the Committee.

The Board will appoint the Chair of the Committee, who must be an Independent Non-Executive Director and who is not the Chair of the Board or an Executive Director.

All Committee members will have a working familiarity with and understanding of financial statements.

At least one Committee member will have relevant qualifications, that is, a qualified accountant or other finance professional with experience in financial and accounting matters.

If a Committee member ceases to be a director of the Board, that member ceases to be a member of the Committee.

4. Administrative Matters

4.1 Committee Meetings

The Committee meets at least four times per year, or more often, if necessary, to fulfil its responsibilities.

A quorum of the Committee will comprise at least two members.

If the Committee Chair is unable to attend a meeting, the members present or the Board Chair will appoint another member who is a Director (and not the Board Chair) to act as Chair at that meeting.

Committee members may attend meetings in person or participate by videoconference or other electronic means.

Committee decisions may be made by circular or written resolution. A circular or written resolution signed by all Committee members will be effective as a resolution duly passed at a Committee meeting. A resolution may consist of several documents in like form, each signed by one or more members. The expression "written" includes email or other electronic means.

Management is responsible to the Committee for making recommendations to the Committee and implementing recommendations of the Committee, which the Board approves.

4.2 Conflicts of Interest

A Committee member who has a material personal interest in a matter relating to Bhagwan Marine's affairs must give the other Committee members notice of his or her interest.

Committee members shall not participate in discussions and shall not vote on any issues in respect of which there is a material actual or perceived conflict of interest.

4.3 Committee Work Plan, Agenda and Meeting Documentation

Each Committee meeting will have a structured agenda. The Committee's work plan and meeting agenda are determined by the Committee Chair, with input from the MD/CEO, the Executive Director Finance, the Chief Financial Officer (**CFO**), and the Company Secretary. Any Director or the External Auditor may request that a particular item be added to the agenda.

The agenda and supporting documentation for each Committee meeting will be circulated within a reasonable time before the meeting to Committee members, other Directors, the MD/CEO, the CFO, the External Auditor, and other attendees, as appropriate.

4.4 Notice of Meeting and Attendance

Notice of Committee meetings will be provided to all Directors. Directors who are not members of the Committee may attend Committee meetings and will have access to Committee papers and minutes.

Notice of Committee meetings will also be provided to the MD/CEO, the Executive Director Finance, the CFO, and the Lead Audit Partner appointed by the External Auditor, who must attend meetings if requested by the Chair of the Committee. Other members of management and advisers may be invited to participate in the meetings as the Chair of the Committee thinks fit.

The External Auditor will be required to meet separately with the Committee, without management, upon the request of the Committee Chair.

4.5 Company Secretary

The Company Secretary will be the Secretary of the Committee.

4.6 Minutes

Minutes of each Committee meeting will be prepared by the Company Secretary, approved by the Chair of the Committee in draft and circulated to all Committee members.

The minutes of a Committee meeting will be approved at the next Committee meeting or by circular resolution and signed by the Chair of the Committee.

The Committee's Chair-approved minutes of each Committee meeting will be included in the Board papers.

4.7 Reporting

The Chair of the Committee will report to the Board on the business matters arising out of a Committee meeting.

The Committee will refer any matter to the Board or another Board Committee where it falls within their responsibility or if it would benefit from the Board or that Board Committee's consideration.

5. Access to Information & Advice

5.1 Access to Management and Others

The Committee has free and unfettered access to the MD/CEO, the CFO, other executives, and the External Auditor (with or without the presence of management), and to information and may make any enquiries to fulfil its responsibilities.

The MD/CEO, the CFO, executive management, and the External Auditor have free and unfettered access to the Committee.

The External Auditor has a direct reporting line to the Committee.

5.2 Access to Independent Professional Advice

The Committee has the right to seek independent professional advice, subject to the approval of the Board Chair (or, in the Board Chair's absence, the Chair of the Audit & Risk Committee), at Bhagwan Marine's expense, in respect of any matter related to the discharge of its responsibilities.

Advice received should be distributed to the whole Committee as appropriate.

Committee members are entitled to rely on the expertise of independent experts so long as they are not aware of any grounds that would make such reliance inappropriate.

6. Workshops and Training

The Committee may hold workshops and training sessions to maintain the skills and knowledge required to perform its role effectively.

The Committee keeps itself informed on material developments in accounting standards and other relevant regulations.

7. Review

7.1 Committee Performance Review

The Board will conduct an annual review of the Committee's performance and effectiveness.

When considered appropriate, the Committee will review its membership and make recommendations to the Board.

7.2 Review of this Charter

The Committee will review this Charter every two years, or sooner if circumstances require, with any amendments recommended to the Board for approval.

8. Related Documents

Board Charter

External Audit and Non-Audit Services Policy

Risk Management Policy

Board Delegation of Authority Policy

Code of Conduct

Speak-Up Policy

Human Rights Policy

Attachment 1

Duties and Responsibilities

In making decisions and recommendations, the Committee will consider its responsibilities and the activities of the Board's other committees and, where appropriate, coordinate with and consider information arising out of those committees and any other relevant factors.

The duties and responsibilities of the Committee are as follows:

1. Financial Reporting

- 1.1. Review the Group's Annual and Half-Year Reports, including the Directors' Report, Directors' Declaration, financial statements, and the accounting policies on which they are based.
- 1.2. Review the appropriateness of accounting policies and material judgements exercised by management in preparing the annual financial statements.
- 1.3. Review changes to accounting standards and regulatory requirements and their effect on the annual financial statements.
- 1.4. Review of Non-IFRS financial information (i.e. Underlying Earnings) reported to ensure it meets the requirements of ASIC Regulatory Guide 230 Disclosure of Non-IFRS Financial Information.
- 1.5. Review of the representations provided by management concerning Bhagwan Marine's half-year and annual financial statements that:
 - a) accounting records are maintained correctly in accordance with statutory requirements;
 - b) the management representation letter to the External Auditor is accurate; and
 - c) the MD/CEO's and the CFO's Declaration under section 295A of the Corporations Act has been formed based on a sound risk management system and internal controls.
- 1.6. Review of Dividend Policy and proposed dividend payments and oversight of compliance with section 254T of the Corporations Act in respect of dividend payments.

- 1.7. Review and monitoring of solvency, including the solvency of subsidiary entities.
- 1.8. Review and approve write-offs that are outside the MD/CEO's delegation.
- 1.9. Review of proposed ASX announcements in respect of Bhagwan Marine's half-year and full-year results.
- 1.10. Review and approve the implementation of a Deed of Cross Guarantee under ASIC Class Order 98/1418 (**DOCG**) and the annual affirmation statement for each entity that continues to support being a party to the DOCG.
- 1.11. Make recommendations to the Board for consideration and approval regarding the approval of Bhagwan Marine's Annual and Half-Year Reports and the additional matters above.

2. Tax Governance

- 2.1 Review and consider the CFO's reports on material taxation matters and monitor compliance with applicable tax laws.
- 2.2 Considering the appropriateness of material tax judgements by management applied in preparing the Company's financial statements and tax returns and monitoring of tax risks.
- 2.3 Review and approve Bhagwan Marine's Payment Times Reports under the Payment Times Reporting Act 2020.

3. Other Corporate Reporting to Stakeholders

- 3.1 Monitor the process to verify the integrity of any material price-sensitive corporate reports released to the ASX that are not audited or reviewed by an External Auditor.

- 3.2 Review and recommend to the Board for approval of Bhagwan Marine's Annual Corporate Governance Statement.

4. External Audit

- 4.1 Recommend to the Board the appointment and, should it be necessary, the removal of the External Auditor, subject to approval by Bhagwan Marine's members.
- 4.2 Review and approve the External Auditor's engagement terms, including their annual audit fees.
- 4.3 Review and approve the overall scope and adequacy of the external audit plan, including identified risk areas and any additional procedures considered necessary.
- 4.4 Review the External Auditor's reports and findings and ensure that any identified issues are being managed and rectified appropriately and in a timely manner.
- 4.5 Engage with the External Auditor regarding any matters concerning the external audit without the presence of management.
- 4.6 Assess, at least annually, the performance of the External Auditor.

5. Independence of the External Auditor and Provision of Non-Audit Services

- 5.1 Monitor that the Lead External Audit Engagement Partner is rotated at least every five (5) years or more frequently if the Committee considers it desirable to maintain the External Auditor's independence.
- 5.2 Review and assess whether the External Auditor satisfies the eligibility and independence requirements in the Corporations Act, and the Audit Independence tests set out in the APES 110 Code of Ethics for Professional Accountants.
- 5.3 Approve the External Auditor's engagement to provide non-audit services in accordance with the External Audit and Non-Audit Services Policy.
- 5.4 Receive and review a written declaration (before the completion of the statutory financial report) from the External Auditor stating that the External Auditor has complied with all professional and regulatory requirements relating to the External Auditor's independence.

6. Risk Management

- 6.1 Review the effectiveness and adequacy of the risk management function and resources, including whether it continues to be appropriate for Bhagwan Marine's size, business mix, and complexity.
- 6.2 Review Bhagwan Marine's Risk Management Framework (**RMF**), including the Risk Appetite and Risk Policy (all together **RFM**).
- 6.3 Oversee the effectiveness of the RMF to ensure it enables Management to appropriately develop and implement strategies, policies, and controls to manage material risks and satisfy itself that the RMF continues to be effective and that Management is operating within the Board-approved risk appetite.
- 6.4 Review and consider reports from management on material risks (including strategic, operational, reputational, and compliance risks) and other emerging risks that, singly or in combination with different risks, may have a material impact on Bhagwan Marine.
- 6.5 Oversee the effectiveness of Bhagwan Marine's Crisis and Emergency Management Plan.

7. Insurance

- 7.1 Review and approve the structure and adequacy of Bhagwan Marine's corporate insurance program with regard to the business needs and the insurable risks it has on an annual basis.
- 7.2 Review and recommend to the Board the annual D&O insurance program, premium and policy terms, including reviewing and approving the declarations provided to insurers on D&O insurance.

8. Compliance

- 8.1 Review any material non-compliance issues with applicable laws, regulations, and licences and Management's corrective actions.
- 8.2 Reviewing any material claims or issues that have occurred involving fraud, corruption, or other significant breakdowns of internal controls.

9. Internal Audit

- 9.1 If there is no internal audit function, periodically review the need for an internal audit function.
- 9.2 Approve the appointment and scope of work for any outsourced internal audits.
- 9.3 Review all relevant findings from any internal audit work and monitor Management's response to any material findings, and that they are being rectified in a timely manner.

10. Delegation of Authority

- 10.1 Review and make a recommendation to the Board on Bhagwan Marine's Delegation of Authority Policy.

11. Code of Conduct

- 11.1 Review and approve Bhagwan Marine's Code of Conduct.
- 11.2 Review and approve Bhagwan Marine's Anti-Bribery and Corruption Policy.

12. Whistleblower Framework & Reporting

- 12.1 Review and approve Bhagwan Marine's Speak-Up Policy and monitor general trends relating to whistleblowing reports received.
- 12.2 Monitor that disclosure recipients and other key personnel receive mandatory training on whistleblower laws and that refreshment training is completed every two years.

13. Information Management and Cyber Security Posture

- 13.1 Oversee that systems and processes are in place to test the effectiveness of information security controls.
- 13.2 Review and consider reports from Management on information security risks, including any material incidents involving a control weakness and evaluate management's plans to address and remediate the control weakness.
- 13.3 Review and approve of Bhagwan Marine's Privacy Policy and monitor the effectiveness of privacy controls.

14. Sustainability & ESG

- 14.1 Review of material environmental, social and governance (**ESG**) risks and topics relevant to stakeholders' needs and expectations, including climate-change risks and opportunities.
- 14.2 Review and recommend to the Board for approval any mandatory public reports on ESG or climate change required under legislation or Accounting Standards.
- 14.3 Review and approve Bhagwan Marine's Annual Modern Slavery Statement and Human Rights Policy.

15. Governance

- 15.1 Approve policies that require or are reserved for the Committee and relevant to the Committee's remit.
- 15.2 Consider any other matters delegated by the Board to the Committee.