



# ReNu Energy Limited

## Audit & Risk Management Committee Charter

The Board of Directors has resolved to set forth a charter for the Audit & Risk Committee established as part of the governance of the Company.

The Board of Directors has determined in respect of the Audit & Risk Committee:

### 1 Objectives

- That the primary objective of the Committee is to assist the Board of Directors in its responsibilities relating to accounting and reporting practices, corporate risk assessment and the internal controls of ReNu Energy Limited so as to assist it in fulfilling its statutory and fiduciary responsibilities.
- That the Committee will;
  - Act as an independent and objective party to review the financial information presented by management for the use of all stakeholders including shareholders, joint venture partners, the Australian Securities Exchange, regulators and the general public.
  - Review risk assessment processes and monitor their effectiveness.
  - Review internal controls including those controls that deal with both the effectiveness and efficiency of significant business processes.
  - Oversee and appraise the quality of the audits conducted by the auditors, including both internal and external audit activities.
  - Ensure through regular meetings that open lines of communication exist among the Board, Management and Auditors.

### 2 Composition

- That it shall be comprised of at least two Directors all of whom will be non executive and who will serve for such term as the Board determines.
- That the Board shall appoint a chair of the Committee who shall be an independent director.
- That the majority of members shall be independent directors.
- That all other Non-executive Directors are entitled to attend meetings as ex officio members and shall receive notice of all meetings.
- That the Committee may invite the Chief Executive Officer and the Chief Financial Officer to attend all or part of meetings of the Committee.

### 3 Meetings

- That it will hold regular meetings and such other meetings as are required to fulfill its objectives.
- That a quorum is a majority of Committee members.
- That the Company Secretary will act as secretary of the Committee.
- That the Secretary will call a meeting of the Committee at the request of any of the directors, the Chief Executive Officer, the Chief Financial Officer, the external auditors and the internal auditor.

### 4 Access and Authority

- That the Committee has authority to investigate any aspect, function or activity of the group.
- That the Committee has unfettered access to the external and internal auditors without management present and vice versa.
- That the Committee has unlimited access to executive management and employees.
- That the Committee has the authority and ability to consult and retain independent experts where the Committee considers it necessary to carry out its duties.
- The Committee does not have the authority to make binding decisions except with the express approval of the Board.

### 5 Appointment to the Committee

- Subject to the direction of the Board, the tenure of Committee members shall be three years after which they will be eligible for re-appointment.
- The members of the Committee are responsible for ensuring the efficient and effective operation of the Committee and taking the appropriate steps to ensure they have the requisite knowledge and training to undertake their role.
- On an annual basis the effectiveness of the Committee will be assessed and reported through to the Board.

### 6 Reporting / Minutes

After the minutes of the meetings have been accepted as a correct account by the Committee members, the minutes shall be circulated promptly to the Board for noting at the next Board meeting.

### 7 Internal Audit Role

The Committee will make a recommendation to the Board on the selection of an appropriately qualified internal auditor. The Committee will review internal audit fees and review and make recommendations to the Board regarding any dismissal of internal auditors.

In addition, the Committee will:

- Review the Internal Audit Strategy on an annual basis.
- Review and approve the scope of the internal audit plan and work program, and will review plans for the resourcing of the work program.
- Review any changes to the planned scope of the internal audit work plan that the Committee thinks advisable.

## 8 Responsibilities

1. To review all regular external financial reports.
2. To review accounting policies and practices and in particular any changes and their impact.
3. To assess:
  - major judgmental areas;
  - significant audit adjustments and /or transactions;
  - significant accounting accruals, reserves or estimations;
  - compliance with Accounting Standards;
  - going concern assumption and valuations.
4. To monitor compliance with statutory and ASX financial reporting requirements.
5. In respect of external auditors and where appropriate, internal auditors;
  - recommend to the Board the appointment of the external auditors and internal auditors;
  - review the fees of the auditors annually;
  - review and recommend acceptance to the Board of engagement and representation letters;
  - ensure that there are no management restrictions on auditors;
  - review Closing reports of auditors and any other reports produced by the auditors from time to time.
6. Review regulatory reports and proposed management responses.
7. Review the Company's Risk Management process and systems in risk identification and mitigation strategies.
8. Review litigation involvement and risk through routine risk management activities.
9. Review internal control environment through analysis of findings identified through the internal audit program.
10. Review status of implementation of management actions to address any control deficiencies identified through internal and external audit activities
11. Ensure effective deployment of risk management processes.
12. Assess and review adequacy of management reporting.
13. Critically examine the Committee's performance and recommend any changes to the responsibilities to the Board.