

AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER

1. Purpose and authority

1.1 Purpose

The purpose of the Audit, Risk & Compliance Committee is to:

- (a) provide oversight to:
 - (i) improve the credibility and objectivity of the accounting process, including financial reporting;
 - (ii) ensure the effectiveness of the internal and external audit functions and providing a forum for communication between the Board and the internal and external auditors;
 - (iii) ensure the independence of the external auditor;
 - (iv) assure the quality of internal and external reporting of financial and non-financial information; and
 - (v) ensure that whistle blower issues are actively followed up,
- (b) provide oversight over the implementation and operation of the Company's:
 - (i) risk management framework;
 - (ii) risk appetite statement;
 - (iii) risk management strategy; and
 - (iv) compliance framework.

This charter sets out the authority, responsibilities, membership and operation of the Committee.

In this Charter:

Board means the Board of Directors of the Company;

Charter means this Audit, Risk and Compliance Committee Charter;

Committee means the Audit, Risk & Compliance Committee; and

Company means humm group limited ACN 122 574 583 (ASX: HUM).

1.2 Authority

- (a) The Committee discharges its responsibilities in accordance with the authority delegated to it by the Board as well as any powers conferred by statute, regulation or regulatory authority requirements.
- (b) The responsibilities delegated to the Committee are contained in the Board Charter, this Charter and any other resolution of the Board as made from time to time.
- (c) The Committee must, at all times, have free and unfettered access to Company executives, heads of risk, compliance, audit and legal, senior management, and risk, compliance and financial control personnel (**Personnel**), internal and external auditors and any other parties (internal or external) or information it deems warranted in carrying out its responsibilities.
- (d) The Committee has the authority to access the Company's documents and records.
- (e) The Committee can request Personnel and management committees present written or verbal reports to meetings for the purpose of ensuring that the Committee is able to discharge its responsibilities.
- (f) The Committee may, with the Board's approval, obtain written and verbal advice from external advisors, at the Company's cost.

- (g) The Committee may delegate its discretions and responsibilities. The Committee will record a copy of all delegations in its minutes.
- (h) The Committee may establish management committees to report to it on particular matters or areas. The terms of reference, membership, scope and reporting requirements of any management committee will be established at the time of its formation.
- (i) The Committee may make decisions by circulating resolution.

2. Committee Responsibilities

Audit

2.1 External Reporting

The Committee is responsible for:

- (a) considering the appropriateness of the accounting principles and policies adopted and any amendments, as well as the methods of applying those principles and policies;
- (b) overseeing the preparation of financial reports and reviewing the results of external audits or reviews of those reports for the purpose of recommending to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them;
- (c) assessing significant estimates and judgments in financial reports by examining the processes used to derive material estimates and judgments including by reference to the internal and external auditors' assessment of the reasonableness of management's estimates;
- (d) ensuring appropriate processes are in place to form the basis upon which the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) make their declarations to the Board under section 295A of the *Corporations Act 2001 (Cth)*;
- (e) reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of financial and non-financial information;
- (f) assessing (before publication) whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs;
- (g) reviewing with management and the external auditors all matters required to be communicated to the Committee under the Australian Accounting Standards;
- (h) reviewing the completeness and accuracy of the Company's main corporate governance practices as required by the ASX Listing Rules;
- (i) ensuring that a comprehensive process is established to capture issues for the purpose of continuous reporting to the Australian Securities Exchange (**ASX**);
- (j) assessing solvency and the going concern assumption;
- (k) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur; and
- (l) assessing management's explanations for unusual transactions or significant variances from prior year results or current year budgets.

2.2 External audit

The Committee is responsible for:

- (a) making recommendations to the Board, for regulatory and shareholder approval, on the appointment and removal of the external auditor;

- (b) before the start of each external audit agreeing the terms, scope and fees for the engagement, taking account of the Company's material risks and financial reporting obligations;
- (c) monitoring the effectiveness of the external auditor, and periodically assessing their performance;
- (d) reviewing the external auditor's half year and full year audit review and report (respectively) on the Company's financial reports and relevant internal controls, and any other regulatory reports issued by the external auditor, including assessing the findings and recommendations and management's responses to them;
- (e) regularly reviewing the Company's Auditor Engagement Policy, if any;
- (f) at least annually reviewing the external auditor's independence declaration based on the external auditor's relationships and services with the Company and other organisations and including an assessment of the rotation of lead audit partners;
- (g) assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgment or independence ;
- (h) inviting the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
- (i) raising with the external auditor any specific points of divergence with the Company's management;
- (j) monitoring and examining management's response to the external auditor's findings and recommendations;
- (k) reviewing all representation letters signed by management and receiving confirmation from management that all information provided is complete and appropriate; and
- (l) meeting at least once a year with the external auditor without management present.

2.3 Internal audit

The Committee is responsible for:

- (a) approving the appointment, terms of engagement and dismissal of the Head of Internal Audit (if any, or analogous role) or any external provider proposed or engaged to deliver Internal Audit services to the Company (each referred to as the **Internal Audit function**);
- (b) reviewing and approving the scope of, resourcing for and effectiveness of, the internal audit plan and work program, monitoring progress, and considering the implications of internal audit findings relating to the Company's control environment;
- (c) meeting at least once a year with the Internal Audit function without management present;
- (d) reviewing the Internal Audit function's role, responsibilities and resources;
- (e) receiving written and verbal reports from the Internal Audit function;
- (f) ensuring the Internal Audit function reports directly to the Committee Chair with a dotted line to the CFO;
- (g) evaluating management's responsiveness to the Internal Audit function's findings and recommendations; and
- (h) assessing the performance, effectiveness and objectivity of the Internal Audit function.

2.4 Internal financial controls

The Committee is responsible for:

- (a) assessing the internal processes for determining, managing and reporting on key financial risk areas, particularly:

- (i) compliance with laws, regulations, standards and best practice guidelines;
 - (ii) important judgments and accounting estimates;
 - (iii) business licence requirements;
 - (iv) litigation and claims;
 - (v) fraud and theft; and
 - (vi) other relevant financial risks other than those dealt with by other specific Board committees;
- (b) assessing with management and the internal and external auditors the effectiveness of the internal financial control and performance management systems within the Committee's remit;
 - (c) assessing the effectiveness of, and compliance with, the Company's code of conduct and compliance with internal plans, policies and procedures in so far as they may have a financial impact; and
 - (d) obtaining regular updates from management and the CFO about finance matters.

Risk and Compliance

2.5 General Risk Matters

- (a) Advising the Board on the Company's overall current and future risk appetite and risk management strategy.
- (b) Making recommendations to the Board concerning the Company's risk appetite and particular risks or risk management practices of concern to the Committee.
- (c) Establishing a Group-wide view of the Company's current and future risk position relative to its risk appetite and capital strength.
- (d) Overseeing senior management's implementation of the risk management strategy.
- (e) Constructively challenging senior management's proposals and decisions on all aspects of risk management arising from the Company's activities.
- (f) Reviewing management's plans for mitigation of the material risks (as identified by the Board, the Committee or management from time to time) faced by the Company.
- (g) Promoting a sound risk management culture which takes account of the Company's strategic plan and achieves a balance between risk minimisation and reward for risks accepted. This includes, but is not limited to, providing a forum whereby the Committee and management can discuss:
 - (i) the identification of emerging risks;
 - (ii) the Company's risks (including emerging risks) and tolerances to those risks; and
 - (iii) any other matters to provide for the appropriate debate between the Committee and management.
- (h) Receiving reporting on material incidents involving fraud or a breakdown in the Company's risk controls, and lessons learned from the incidents.
- (i) Receiving reporting from the internal audit function on reviews of the adequacy of the Company's processes for managing risk.
- (j) As the Board retains responsibility for management of the Company's strategic risk, escalating newly identified strategic risks to the Board to consider and address, and for assisting the Board with management of strategic risks, as requested.
- (k) Recommending to the Board for approval, policies, strategies and frameworks in respect of all risks other than strategic risk.

- (l) Approving the design, implementation and review of risk management and internal compliance and control systems throughout the Company.
- (m) Providing assistance to the People & Remuneration Committee and Nomination Committee in respect of the management of risk through the Company's Remuneration Policy.
- (n) Oversee the Company's insurance program.
- (o) Consider the Company's exposure to environmental and social risks, and any disclosures which might be made in respect of them.

2.6 Credit Risk

- (p) Approving the criteria on which the Company will rely to identify those credit exposures deemed to be a source of concern, and which will be reported to Management and the Committee.
- (q) Approving any risk-grading or risk assessment system deemed necessary to manage credit risk exposures.
- (r) Recommending to the Board for approval the framework, including policies and procedures, by which the Company will measure, assess and report impairment or losses.
- (s) Approving the processes by which Commercial asset collateral values are assessed and monitored.

2.7 Operational Risk

- (a) Ensuring the Company has in place a designated Operational Risk function, which is adequately staffed by appropriately trained and competent persons with sufficient authority to perform their role.
- (b) Ensuring the Operational Risk function has a reporting line that is independent from business lines.
- (c) Receiving regular reporting on operational risk matters such as incident and issue management and the outcomes of control testing programmes.
- (d) Recommending to the Board for approval the Operational and Compliance Risk Management Framework.

2.8 Compliance Risk

- (e) Ensuring the Company has in place a designated Compliance function, which is adequately staffed by appropriately trained and competent persons with sufficient authority to perform their role.
- (f) Ensuring the Compliance function has a reporting line that is independent from business lines.
- (g) Receiving regular reporting on compliance matters, including breach reporting.

2.9 Legal and Regulatory Risk

- (a) Ensuring the Company has in place a suitable process for identifying, monitoring and mitigating legal and regulatory risk across the Company, which ensures an optimal balance between risk and return, taking into account the nature, scale and complexity of the Company's businesses and operational processes.
- (b) Ensuring the Legal and Regulatory Risk function has a reporting line that is independent from business lines.
- (c) Receiving regular reporting on legal and regulatory risk issues and concerns.
- (d) Recommending to the Board for approval the Legal and Regulatory Risk Management Policy.

2.10 Balance Sheet and Funding Risk

- (a) Ensuring the Assets and Liabilities Committee (**ALCO**) is achieving its objectives and adhering to its responsibilities as described in the ALCO Charter.
- (b) Receiving regular reporting from ALCO on the Company's funding, liquidity and interest rate risk management positions and on any related material risks identified by ALCO.
- (c) Examining and monitoring any matters, including any material risks, presented by ALCO for the Committee's consideration.

2.11 Tax risk management

The Committee is responsible for overseeing and monitoring the Company's tax risk position including reviewing the Tax Risk Management and Governance Framework for endorsement to the Board for approval.

2.12 Related party transactions

The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

2.13 AML/ CTF compliance

- (a) Review and oversight of AML/ CTF risk management, compliance and program.
- (b) Approval of the AML/CTF compliance program under delegated authority from the Board.

2.14 Other responsibilities

- (a) Reviewing the Committee's Charter at least every two years (or more regularly as required) and putting any changes to the Charter to the Board for consideration and approval.
- (b) Reviewing the Committee's performance at least annually and reporting the outcomes of the review to the Board.
- (c) Ensuring continuing education is provided to directors on emerging trends, risks, governance and industry and product developments.
- (d) Regularly reviewing relevant policies and procedures.
- (e) Examining any other matters referred to it by the Board.
- (f) Meeting with ASIC or any other relevant regulator at the regulator's request.
- (g) Maintaining open lines of communication with subsidiary audit committees.
- (h) Performing other activities requested by the Board.
- (i) Instituting and overseeing special investigations as needed.

2.15 Corporate governance

The Committee is responsible for assisting the Board to ensure appropriate corporate governance is in place.

2.16 Whistleblowing

The Committee is responsible for:

- (a) reviewing and approving the Company's Whistleblowing Policy and associated procedures, including relevant internal and external communications in relation to the policy; and
- (b) overseeing the effectiveness of the whistleblowing policy including receiving reporting on the number and nature of matters escalated under that policy.

3. Membership

3.1 Composition and size

The Committee will consist of at least three non-executive directors, the majority of whom are independent, as appointed by the Board.

Members of the Committee will be appointed by resolution of the Board, to be recorded in the minutes of the meeting at which the decision is made.

The membership of the Committee will be reviewed annually by the Board, or at any other time at the discretion of the Board.

3.2 Chair

The Chair of the Committee is appointed by the Board, and must be an independent non-executive director who is not the Chair of the Board.

If the Committee Chair is absent from a part or all of a meeting, the Committee may elect a chair for that meeting.

3.3 Technical expertise

The Committee must be structured so that the members between them have the accounting and financial expertise, and sufficient understanding of the financial services industry, to be able to discharge the Committee's responsibilities.

3.4 Skills development

If the Committee Chair approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Company's expense.

3.5 Commitment of Committee members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

3.6 Secretary

The Company secretary is the Committee secretary.

4. Committee meetings and processes

4.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this Charter.

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

4.2 Frequency and calling of meetings

The Committee will meet at least five times a year, or more frequently as required. The Chair must call a meeting of the Committee if requested by any member of the Committee, the external auditor, senior management or the Chair of the Board.

4.3 Quorum

Two Directors constitute a quorum for Committee meetings.

4.4 Attendance by directors, management and advisors

The CEO and CFO are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the external auditors.

The Committee Chair may also request other senior managers and external advisors to attend meetings of the Committee.

A standing invitation to Committee meetings is extended to all Board members who are not Committee members.

4.5 Notice, agenda and documents

The Committee Chair determines the meeting agenda after appropriate consultation.

The Secretary will distribute the notice of meeting, the agenda of items to be discussed and any related documents to all Committee members and other attendees before each proposed meeting of the Committee. These documents will also be made available to other Board members.

4.6 Conflicts of Interest

- (a) The Board has established the Code of Conduct, Securities Trading Policy and disclosure practises for handling matters that may give rise to a conflict between the interests of a Director and those of the Company.
- (b) Any Committee member, with a real or perceived conflict of interest, may not vote on the matter being considered unless the other members agree that the interest should not disqualify the member with the conflict from voting.

4.7 Voting

- (a) A resolution of the Committee must be passed by a majority of the votes cast by the Committee members entitled to vote on the resolution.
- (b) Each Committee member present in person or by alternate is entitled to vote and has one vote.
- (c) If on any resolution an equal number of votes is cast for and against the resolution, the Committee Chair will have a casting vote.

4.8 Reporting to the Board and Minutes

- (a) The Company Secretary will prepare minutes of the meetings for approval at the next Committee meeting. The Committee Chair will sign the minutes.
- (b) The minutes will record all decisions made by the Committee.
- (c) The minutes will be included in the papers for the next Committee meeting and will include action items to be carried across to the next meeting as Matters Arising.
- (d) The Committee will report to the Board at the next Board meeting through a verbal report from the Chair and, if available, the circulation of minutes, on those of its activities and decisions that should be brought to the attention of the Board.
- (e) The Chair will report to the Chair of any other Board committee, at the earliest possible time, any matters that in the opinion of the Committee should be brought to the attention of that other Board committee.
- (f) The Committee may refer any relevant matters to another Board committee for consideration and determination by that committee.

5. Remuneration

Committee members are entitled to receive remuneration as determined from time to time by the Board.

6. Review and publication of Charter

The Board will review this Charter at least every two years, or more often if required, to ensure it remains up to date and relevant to the Company's needs. The Charter may be amended by resolution of the Board.

The Charter will be available on the Company's website and its key features included in the annual report.

This policy was approved by the Board on 13 December 2022 and was effective from that date.

7. Document change history

Who owns this Charter?	Version	Approved by:	Date
Company Secretary	2022.1	BARCC	13 December 2022