



BLACK PEARL GROUP LIMITED

AUDIT AND RISK COMMITTEE CHARTER

Policy Statement

Introduction

This Charter governs the operations of the Audit and Risk Committee of Black Pearl Group Limited (**BPG**).

BPG's board of directors (**Board**) has appointed an Audit and Risk Committee (the **Committee**) of at least three members. All members will be financially literate and at least one member will have an accounting or financial background. The chair of the Committee (**Committee Chair**) must be independent and must not be the chair of the Board (**Chair**). A majority of directors on the Committee will be independent.

Purpose

The objective and purpose of the Committee is to assist the Board in fulfilling its responsibilities in all matters related to risk management and the financial accounting and reporting of BPG. This includes assisting the Board in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community and others relating to:

- the integrity of BPG's financial statements;
- the effectiveness of BPG's internal controls over financial reporting;
- BPG's compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence;
- the performance of BPG's internal control processes and independent auditor; and
- the review of management's letters of representation.

The decisions of this Committee are reported back to the Board in order to allow the other members of the Board to question Committee members.

Given the nature of the business of BPG and the internal financial controls BPG has in place, it is not considered necessary to have an internal auditor in addition to the Committee. The Committee will facilitate the appointment of an independent external auditor.

Responsibilities

The Committee is responsible for overseeing financial reporting, accounting policies, financial management, and internal control systems. The Committee is to keep under review the scope and

results of audit work, its cost effectiveness and performance, independence and objectivity of the auditors. It also reviews the financial statements and any announcements concerning financial results.

The duties of the Committee are as follows:

- ensure that appropriate financial reporting and internal control processes are in place and monitor those processes so that the Board is properly and regularly informed and updated on corporate financial matters;
- to recommend to the Board the external auditor appointment, tenure and remuneration;
- liaise with the external auditors and any accounting advisers;
- review and assess the performance of the external auditors in respect of audit and non-audit services, including ensuring that the external audit firm or lead audit partner is changed at least every five years;
- assess the independence of the external auditors and ensure that there is no relationship between the proposed auditors and BPG or any related person that could compromise the independence of the auditors;
- review (but not plan or conduct) the external auditors annual audit plan and reports, assess performance against plans;
- review the draft half year and annual financial statements of BPG together with associated market announcements, for compliance with appropriate laws and regulations and to recommend approval/release to the Board;
- approve and ensure declaration of any non-audit services provided by the auditors to BPG and monitor these non-audit services to ensure they do not impair, or are reasonably perceived to impair, the auditor's independence;
- review public documents and disclosures relating to financial information;
- review material accounting policy changes proposed by management or the external auditors;
- review group tax exposures and meet with management every six months on taxation compliance;
- assess the performance of financial management;
- review the audit findings and ensure that recommendations highlighted in audit reports are actioned by management;
- assess the development of any existing or emerging risks to the business, including any health and safety risks;
- review the risk management plan;
- receive appropriate and regular reporting from management in relation to BPG's risk management framework;

- review management policies and processes to ensure their suitability for achieving appropriate levels of compliance with company risk management policy, Code of Ethics and statutory and regulatory requirements;
- maintain a register of risks which records the likelihood and impact of each risk to the business of BPG; and
- in addition, the Committee shall examine any other matters referred to it by the Board.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to monitor the overall corporate “tone” for quality financial reporting, sound business risk practices and ethical behaviour.

Authority

The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from any employee, officer (or contractor) of BPG, all of whom are directed to cooperate with any request made by the Committee.

The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary. The Committee shall have no executive powers with regard to findings and recommendations.

Review of the Audit Committee

The Committee will undertake a formal review of its objectives and activities at least once every two years.

The Board will review the performance of the Committee as and when the Board deems appropriate and has overall responsibility for BPG’s systems of internal financial control.

Reporting Procedures

The Committee Chair shall make a report to the Board after each Committee meeting on the findings and recommendations of the Committee. The Committee’s findings must:

- include written confirmation of the auditor’s independence; and
- highlight the main risks to BPG’s performance and how these risks are being managed as part of BPG’s risk management framework.

The minutes of all Committee meetings, signed by the Committee Chair, shall be circulated to all directors and to other parties as the Board directs.

Employees of BPG should only attend Committee meetings on the invitation of the Committee.

The Committee Chair, or if they are unable, another member of the Committee, must be available at all annual shareholder’s meetings to respond to any shareholder questions on the Committee’s activities and areas of responsibility.

BPG must not restrict the Committee’s ability to access BPG’s auditors or accountants.

General

BPG will communicate this policy to its shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote achievement of the objectives of this policy.

This policy has been agreed by the Board of Black Pearl Group Limited.

Issue	Approved by	Date
1.0	The Board	24 November 2022