



**NORTH QUEENSLAND BULK PORTS CORPORATION LIMITED**  
**PORTS CORPORATION OF QUEENSLAND LIMITED**  
**MACKAY PORTS LIMITED**

## **AUDIT FINANCIAL RISK MANAGEMENT (AFRM) COMMITTEE CHARTER**

### **1. OBJECTIVE**

The Company is a Government Owned Corporation (GOC) or a subsidiary of a GOC and is subject to the Government Owned Corporations Act 1993. The Company is also a public company incorporated under the Corporations Act 2001.

The Company's Audit & Financial Risk Management Committee is established to provide appropriate analysis and advice to assist the Board to discharge its financial and risk management responsibilities consistent with its ports sustainability objective.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within the Company, or the reporting lines and responsibilities of either internal audit or external audit functions. The Audit & Financial Risk Management Committee is only empowered to make recommendations to the Board and does not have power to make decisions in its own right.

### **2. TERMS OF REFERENCE**

The Audit & Financial Risk Management Committee will undertake a review of the matters set out in the table below:

		Expected Timing *		
Function	Document	February	May	August
<b>Governance</b>	Committee Charters		Review Charter and Performance <i>(endorsement)</i>	
	SCI and Corporate Plan	Draft <i>(endorsement)</i>	Key Changes Proposed prior to Final <i>(endorsement)</i>	
<b>Finance</b>	Annual Financial Statements	Proforma Financial Statement <i>(noting)</i>		Final <i>(endorsement)</i>

	Budget	Draft <i>(endorsement)</i>	Final <i>(endorsement)</i>	
	Financial Performance Review	Previous FY Performance Review <i>(noting)</i>		
	QTC WACC Review	Update <i>(noting)</i> <i>(Final WACC to July Board)</i>		
	Profit Impairment Review		Yearly Update <i>(noting)</i>	
	Asset Stocktake Results		Yearly Update <i>(noting)</i>	
	Taxation	Monthly Update	Monthly Update	Monthly Update
	Rehabilitation Investment Options			Yearly Update <i>(noting)</i>
	Dividend Recommendation			Final Report <i>(endorsement)</i>
<b>Commercial</b>	Pricing Recommendations	Recommendation and Pathway <i>(endorsement)</i>		
<b>External Communications</b>	Financial Statements for Annual Report			Final Report <i>(endorsement)</i>
<b>Engineering</b>	Asset Revaluation and Impairment		Draft Revaluation (Final Revaluation to July Board)	
<b>Risk</b>	Insurance Program		Renewal Strategy <i>(endorsement)</i>	
	Strategy	Draft Internal Audit Strategy <i>(noting)</i>		
	Internal Audit	Update <i>(noting)</i>	Update, Annual & Next 3 Year Plan. Update Assurance Map <i>(endorsement)</i>	Update

	External Audit	QAO Update (noting)	QAO Update (noting)	QAO Update (noting)
	Fraud Risk Review		Yearly	
	Risk Deep Dives	Discussion	Discussion	Discussion
	Credit Review	Yearly Review (noting)		
<b>All Functions</b>	Ad-hoc:	<ul style="list-style-type: none"> <li>• Instrument of Delegation Approvals/Amendments</li> <li>• Specific Policy Reviews</li> <li>• Business Improvement Updates</li> <li>• Accounting Position Papers</li> </ul>		

\* Management may determine to take a paper / topic listed above directly to the Board rather than through the Committee after discussion between the Board Chair, Committee Chair and the CEO for expediency. The expected timing may also be changed after consultation with the Committee Chair to better manage workflows throughout the year.

### 3. MEMBERSHIP

#### Composition

The membership of the Committee consists of at least 3 directors appointed by the NQBP Board. The NQBP Board Chair may be appointed to the Committee but may not sit as the Committee Chair. A quorum for the Committee is 50% or more of currently appointed members.

In making its decision, the Board will ensure that collectively, the membership of the Committee shall possess:

- A thorough understanding of the core activities of the Company and the environment in which it operates, including its strengths, weaknesses, opportunities and threats;
- A commitment to the continual improvement of the outputs that the Company delivers and that contribute to the achievement of the Company's mission and the commitments in its SCI and Corporate Plans;
- Strong business acumen and management skills;
- A high level of understanding of best practice internal control, risk management and corporate governance;
- A sound knowledge of information systems and emerging technology, including but not limited to cyber security and artificial intelligence;
- A high level of competency in financial and operational reporting;
- At least one member with accounting qualifications (either a CA or CPA) who is not also Board Chair.
- An inquiring attitude, objectivity and independence; and
- A strong, demonstrated sense of probity and ethical conduct.

To maintain independence, the membership of the Committee shall not include representatives from internal audit or the Queensland Audit Office (QAO), or the person(s) responsible for the Company's financial management, although such representatives may be invited to attend Committee meetings and provide technical and other advice to the Committee.

#### Roles and Responsibilities

The following roles and responsibilities are specifically related to the Committee and are applicable in conjunction with the roles and responsibilities in the Board Charter.

Role	Responsibilities
Committee Chair	<ul style="list-style-type: none"> <li>• Direct the Secretary of the Committee to organise meetings and prepare agendas. Ensure that the agenda is comprehensive and supporting papers are appropriate.</li> <li>• Chair the Audit Financial Risk Management Committee meetings and ensure their effective running.</li> <li>• Ensure timely reports of Audit Financial Risk Management Committee activities (including recommendations) are provided to the Board in a clear and unambiguous manner.</li> <li>• Authorise the request for information by any Committee member.</li> </ul>
Committee Secretary	<p>The Company Secretary is appointed by the Board as the Audit Financial Risk Management Committee. The Secretary is required to assist the Committee in governance and administration requirements including:</p> <ul style="list-style-type: none"> <li>• Ensuring that the Committee agenda and papers are developed in a timely and effective manner for review and approval;</li> <li>• Coordinate, organise and attend Committee meetings</li> <li>• Draft and maintain accurate records of all Committee proceedings, correspondence and documents.</li> <li>• Record and carry out instructions given by the Committee.</li> </ul>
Management Representative	<p>The Chief Financial Officer and Head of Corporate Services is appointed by the CEO as the Management Representative to the Audit Financial Risk Management Committee and assists the Committee by:</p> <ul style="list-style-type: none"> <li>• Preparation and distribution of materials for meetings</li> <li>• Offering knowledge and experience to the Committee, contributing to informed decision-making</li> <li>• Implementing the decisions made by the Committee, such as assigning tasks to staff.</li> <li>• Acting as a Committee liaison to ensure that the Committee's work is communicated effectively to the wider organisation.</li> </ul>

#### **Induction of New Members**

The Charter of the Audit & Financial Risk Management Committee will be supplied to new appointees as directors to the Board of the Company, as part of their general induction. The Audit & Financial Risk Management Committee Chair will personally ensure that, on appointment as a new member to the Committee, the appointee is familiar with the current Charter of the Committee and is briefed on key current issues.

#### **Professional Development**

Committee members have a personal obligation to acquire and maintain the skills and knowledge to perform their role as a Committee member. The Committee will support the ongoing development of individual members of the Committee and make recommendations to the Board as appropriate to ensure, collectively, the Committee has the skills and knowledge to perform its role.

#### **Compliance with Policy**

Each director has a duty to comply with the law and binding Government and Company policies.

### **4. REPORTING TO THE BOARD**

The Audit & Financial Risk Management Committee will:

- Report to the Board following each of its meetings.

- Provide recommendations, opinions and bring appropriate matters to the attention of the Board.
- Provide a summary of its activities for each financial year to the Board for inclusion in the Annual Report.

## **5. ADMINISTRATIVE ARRANGEMENTS**

The Audit & Financial Risk Management Committee will meet at least three times a year, unless otherwise determined. Agenda papers will be prepared and distributed at least four days prior to each meeting.

Minutes of each meeting will be recorded and accepted at the next meeting. The Committee Chair is to receive the original minutes from the prior meeting for review with the agenda for the next meeting. The Committee Chair is responsible for ensuring the minutes are an accurate record and will sign the minutes as confirmation. A copy of the Minutes of the Committee shall be provided to the Board.

## **6. ACCESS TO INFORMATION AND ADVICE**

### **Access to Records**

- The Audit & Financial Risk Management Committee (through its Chair) shall be provided with all necessary access to documents, reports, records and personnel in pursuit of its mandate.
- Specific requests in this regard should be directed to the Chief Executive Officer, Board Secretary or Committee Secretary.

### **Engagement of External Resources**

The Audit & Financial Risk Management Committee may engage appropriate consultants (so far as is necessary to properly fulfil its mandate), provided that any costs or commitments in doing so are reported to the next Board meeting.

## **7. COMMITTEE EVALUATION**

A summary of the role and achievements of the Committee will be included in the annual report of the Company, together with a statement that the Committee has observed the terms of its Charter and had due regard to relevant legislation, relevant binding policies of the Government and Company policies, as well as the Queensland Treasury's Audit Committee Guidelines (as updated or replaced from time to time) and the Financial Management Standards.

Annually, the Board will consider the effectiveness of Audit & Financial Risk Management Committee meetings, the appropriateness of its Charter and the composition of the Committee.

## **8. APPLICATION**

This Charter applies to the NQBP Group, on the basis that there will be one committee structure covering the entire NQBP Group.

## **9. CHARTER REVIEW DATE**

This Charter should be reviewed by 30 June 2026.

## **10. DEFINITIONS**

**NQBP:** means North Queensland Bulk Ports Corporation Limited ACN 136 880 218.

**NQBP Group:** means NQBP and its related bodies corporate including Ports Corporation of Queensland Limited ACN 126 302 994 (PCQ) and Mackay Ports Limited ACN 131 965 707 (MPL).

**Company:** means NQBP, PCQ and/or MPL, as the context requires.