

RADIUS RESIDENTIAL CARE LIMITED AUDIT AND RISK COMMITTEE CHARTER

1. PURPOSE

The role of the Audit and Risk Committee (“**ARC**”) is to assist the Board to fulfill its responsibilities in relation to Radius Residential Care Limited’s (“**Radius**”):

- a. External financial reporting;
- b. Internal control environment;
- c. Business Assurance / Internal Audit and external audit functions; and
- d. Risk management.

2. COMPOSITION

- The ARC shall consist of at least three members of the Board; the majority of members must be independent.
- The ARC must have at least one member who has an accounting or financial background.
- The Chair of the ARC will be appointed by the Board and must be an independent director and must not be the Chair of the Board.
- The term of each member will be determined by the Board through an annual review.

3. MEETINGS

- The ARC shall meet at least four times a year and as required to undertake its role effectively.
- A quorum of members of the ARC shall be two.
- The secretary of the ARC shall be appointed by the Board.
- Meetings will be attended by the CEO, Finance Director, external auditors, and others as appropriate at the discretion and invitation of the ARC.
- The ARC shall meet with the external auditors without management present at any meeting and at any other time during the year at the discretion of the ARC Chair.
- The ARC Chair will report to the Board following each meeting of the ARC and provide copies of minutes of all meetings to the Board.
- All Directors have a standing invitation to attend any meetings of the ARC.

4. POWERS OF THE AUDIT AND RISK COMMITTEE

- The ARC may obtain external legal or independent professional advice in the satisfaction of its duties at the Radius’ expense.
- The ARC has direct access to any resources and information of Radius as it may reasonably require.
- The ARC shall have direct communication and unrestricted access to the external auditor and any internal auditors or accountants.
- The ARC is accountable to the Board and may make recommendations to the Board.
- The ARC shall have no executive powers with regard to findings and recommendations.

5. RESPONSIBILITIES

The responsibilities of the ARC are:

5.1 Financial Reporting and Internal Control

- Review Radius' half and full-year statutory reporting and recommend to the Board for approval.
- Review Radius' half and full-year market presentations prior to their release.
- Review and approve significant judgements made by management in the preparation of the financial statements.
- Review and approve changes to material accounting policies proposed by management.
- Consider the adequacy of internal controls after consultation with the external auditors and management.
- Consider external audit findings in relation to significant internal control deficiencies.
- Meet with external auditors to discuss the practices and issues surrounding external financial reporting.

5.2 Business Assurance/Internal Audit

- Approve the Assurance plan and Assurance mandate.
- Regularly monitor and review the Business Assurance work plan, regular reports from Business Assurance, and management responses. Consider the level and standard of controls.
- Oversee the independence and objectivity of the Business Assurance function.
- Review, and where necessary recommend, and Business Assurance manager function and then appointment.

5.3 External Audit

- Monitor the independence and effectiveness of the external auditors.
- Make recommendations to the Board on the appointment and termination of the external auditors.
- Approve the external audit terms of engagement, audit partner rotation, and audit fee.
- Review the annual audit plan of the external auditors.
- Review and approve non-audit services performed by the external auditor in accordance with the External Audit Independence Policy.
- Review the External Auditor Independence Policy on a regular basis.
- Ensure the Key Audit Partner is changed at least every five years.

5.4 Risk Management

- Ensure that management has established a risk management framework in line with the Board's expectations, which includes policies and procedures to effectively identify, treat and monitor principal risks, and regular reporting to the ARC and Board. Specific responsibilities of the ARC include:
- Assess the effectiveness of, and monitor compliance with, the risk management framework;
- Identification of fulsome reviews on significant risks for inclusion in the agenda of the responsible Board and/or Board Committee meeting, as considered appropriate;

- Reporting to the Board on progress with risk management work.
- Review and recommend policies for Board approval.

5.5 Other Responsibilities

- Review the specific policies including: Treasury Policy and Delegated Authority Policy and recommend for approval by the Board.
- Review reporting to the financiers and supervisors regarding compliance with debt covenants.
- Oversee compliance with statutory responsibilities relating to financial and secretarial matters.
- Review and monitor Radius' insurance programme in conjunction with management and recommend changes when required.
- Review tax risks and exposures.
- Review any correspondence with regulators.
- Report annually to the Board on the activities of the Committee during the year consistent with this Charter and any significant results and findings.

6. APPROVAL AND REVIEW OF CHARTER

This Charter was approved by the Board in December 2020 and will be reviewed by the Board annually.