



TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

PURPOSE

The Audit Committee (the “Committee”) is appointed to assist the Board in fulfilling its oversight responsibilities with respect to matters concerning:

- The systems and structures of internal control and finance;
- Risk management;
- The internal audit function;
- The external audit process, and
- Compliance with legal, financial regulatory and statutory reporting requirements.

A. MEMBERSHIP & MEETINGS

1. The Committee shall be comprised of a **minimum of three (3) members** with at least one (1) member being an independent non-executive director.
2. The Board through the Chairman shall appoint the Chairman of the Committee who shall be an independent non-executive director as defined in MGL Board Charter.
3. Other members of the committee will be appointed by the Board.
4. The Company Secretary will be the assigned secretary for the Committee. In the absence of the Company Secretary, the Company Secretary may make alternate. The Secretary will distribute to Committee members, **3 working days prior to the meetings** of the Committee, all agenda and documents of meetings, reports and/or related documents.
5. The Committee has the power to require any member of staff to attend meetings.
6. The Audit Committee shall meet at least four (4) times per year.
7. The Committee’s quorum will be at least two members. This must include at least one (1) independent non-executive director.

B. RESPONSIBILITIES

The Audit Committee shall:

1. Review the annual financial statements and determine whether they are complete and consistent with the information known to committee members: assess whether the financial statements reflect appropriate accounting principles.
2. Meet with management and the external auditors to review the financial statements and the results of the audit.
3. Review the other sections of the interim and annual reports before they are released and consider whether the information is understandable and consistent with members’ knowledge about the company and its operations.
4. Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from management and internal and external auditors on whether:
 - i. Actual financial results for the interim period varied significantly from budgeted or projected results;
 - ii. Generally accepted accounting principles have been consistently applied;
 - iii. There are any actual or proposed changes in accounting or financial reporting practices;

- iv. There are any significant or unusual events or transactions;
 - v. The company's financial and operating controls are functioning effectively;
 - vi. The preliminary announcements and interim financial statements contain adequate and appropriate disclosures.
5. Recommend the appointment of internal and external auditors.
 6. Review the activities and organisational structure of the internal audit function and ensure no unjustified restrictions or limitations are made, and to ensure the effectiveness of internal controls and risk management.
 7. Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
 8. Perform other oversight functions as requested by the full Board.
 9. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
 10. Review and update the charter; receive approval of changes from the Board.

C. AUTHORITY

The Board authorises the Audit Committee, within the scope of its responsibilities to:

1. Seek any information it requires from:
 - i. Any employee. All employees are directed to cooperate with any request made by the Audit Committee;
 - ii. External parties.
2. Obtain outside legal or other professional advice;
3. Ensure the attendance of company officers at meetings as appropriate.

D. REPORTING RESPONSIBILITIES

The Committee shall report to the Board of Directors after each meeting of the Committee. A verbal report shall be submitted to the Board through the Chairman of the Committee, at the following Board meeting.

E. CONFLICT OF INTEREST

Where there is a conflict of interest, the Committee Member so affected shall declare his or her interest to the Chairman and the details of the conflict are to be recorded by the Committee Secretary. The Committee Member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse himself from the discussions in respect of those interests during the period of discussion of the matter.

F. CONFIDENTIALITY OF COMMITTEE INFORMATION

All information received by the Committee is confidential and is the property of Mailpac Group Limited and cannot be disclosed to parties outside of the organisation without prior approval of the Board.

G. REVIEW AND ASSESSMENT OF TERMS OF REFERENCE

The Board will conduct a review and assessment of the Committee Terms of Reference at least every two (2) years in such manner as the Board deems fit.

DOCUMENT CONTROL

<i>Version</i>	<i>Date Approved by Board</i>	<i>Area Changes made</i>
1 st	March 11, 2021	