

# INTEGRATED RESEARCH LIMITED

ABN: 76 003 588 449  
CORPORATE POLICY MANUAL

## AUDIT AND RISK COMMITTEE CHARTER

Policy No: 2.2

Date: February 2018

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### **Role of the Audit & Risk Committee**

The Audit and Risk Committee is a Committee of the board of directors and is empowered by the board to assist it in fulfilling its responsibilities to shareholders and other stakeholders. In general, the Committee is responsible for reviewing the integrity of the company's financial reporting and overseeing the independence of the external auditors.

### **Responsibilities of the Audit & Risk Committee**

- Serve as an independent party to monitor the financial reporting process and internal control systems.
- Review the performance and independence of the external auditors and make recommendations to the board regarding the appointment or termination of the auditors.
- Review the scope and cost of the annual audit, negotiating and recommending the fee for the annual audit to the board.
- Review the external auditor's management letter and responses by management.
- Provide an avenue of communication between the auditors, management and the board.
- Monitor compliance with all financial statutory requirements and regulations.
- Review financial reports and other financial information distributed to shareholders so that they provide an accurate reflection of the financial health of the company.
- Monitor corporate risk management and assessment processes, and the identification and management of strategic and operational risks.
- Enquire of the auditors of any difficulties encountered during the audit, including any restrictions on the scope of their work, access to information or changes to the planned scope of the audit.
- To consider any other topic requested by the board.

### **Committee Process and Organisation**

The Audit and Risk Committee shall be comprised of at least three members all of whom shall be non-executive directors, and a majority of whom should be independent directors. Senior executives shall be invited to attend meetings as required. The Committee shall make recommendations to the board of directors for consideration and approval.

The members of the Committee shall be appointed by the board and shall remain on the Committee until a successor is appointed. The board will appoint a member of the Committee to be chairman of the Committee, provided that the chairman shall not be the chairman of the board.

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The Committee will meet often enough to undertake its role effectively, but at least twice a year with management and the auditors, and the Committee should meet with the auditors only, at least once a year. The quorum of the Committee shall be two members.

Appropriate minutes of each meeting are to be kept by the secretary and after approval should be included in the papers for the next full board meeting after each Committee meeting.

All directors are entitled to attend any meeting of the Committee.

With the knowledge of the board of directors, the Committee has the power to conduct or authorise investigations into any matter within the Committee's scope of responsibilities and may appoint independent counsel, accountants or others to assist in the conduct of such investigation.

### **Appointment of External Auditors and Rotation of Engagement Partners**

Audit services for the parent company, its subsidiaries and the consolidated entity will be submitted to tender to be provided through a period of five years, with a possible two year extension (at the Company's option) renewable annually.

A request for audit tender document will be prepared by the company and submitted to a limited number of audit firms recommended by the Committee and approved by the board.

The incumbent audit firm will normally be invited to submit a tender for the ensuing term, on condition that a new engagement partner is assigned so that independence may be maintained.

### **Reporting**

The Audit and Risk Committee reports to the board on all matters relevant to the Committee's role and responsibilities, including:

- Assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs.
- Assessment of the management process supporting external reporting.
- Procedures for the selection and appointment of the external auditors and for the rotation of engagement partners.
- Recommendations for the appointment or removal of an auditor.
- Assessment of the performance and independence of the external auditors and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services.
- The results of its review of risk management and internal compliance and control systems.