

## **INSEARCH LIMITED AUDIT AND RISK COMMITTEE CHARTER**

### **1. OBJECTIVES**

- 1.1 The primary objective of the Insearch Limited (***Insearch***) Audit and Risk Committee (***Committee***) is to assist the Insearch Board in discharging its corporate governance responsibilities in relation to oversight and review of:
- (a) the reliability and integrity of financial information for inclusion in Insearch's statutory financial statements;
  - (b) the internal control environment;
  - (c) audit, accounting, financial and other reporting obligations of Insearch;
  - (d) an effective risk management framework;
  - (e) compliance with applicable laws and regulations including fraud and corruption;
  - (f) the Insearch insurance program and the insurable risks associated with its business; and
  - (g) compliance with the requirements of the internal and external audit program.
- 1.2 The duties and responsibilities of the Committee are detailed in paragraph 4 of this Charter.
- 1.3 The Committee will maintain a schedule of matters in respect of which it shall receive reports and consider matters relating to the financial affairs and risk management issues of Insearch that it deems desirable (***Terms of Reference***).
- 1.4 In addition to reviewing the matters specified in the Terms of Reference, the Committee shall examine any other matters referred to it by the Board from time to time.
- 1.5 The Committee should act as a forum for communication between the Board, senior management, internal auditors and the external auditors.

### **2. MEMBERSHIP**

- 2.1 The Committee shall comprise of:
- (a) only non-executive directors;
  - (b) at least three members; and
  - (c) the Board's chairperson, who is an ex-officio Committee member under clause 79.2 of the Insearch Constitution.
- 2.2 Committee members are appointed by the Insearch Board in accordance with clause 78 and clause 79 of the Insearch Constitution.
- 2.3 Members will be appointed for an initial period no less than three years and will be eligible for extension or re appointment for a further term (s) subject to a formal review of their performance.
- 2.4 Committee members must have the necessary technical knowledge and a sufficient understanding of the industry to be able to discharge the Committee's mandate effectively. At least one Committee member must have accounting or related financial management experience with an understanding of accounting and auditing standards.
- 2.5 The Chairperson of the Committee is the person nominated as Chairperson in accordance with clause 81.1 of the Insearch Constitution and should be an independent Director who is not Chair of the Board.

2.6 All directors are welcome to attend Committee meetings.

### **3. MEETINGS**

3.1 The Committee should meet at least four times per year. Additional meetings may be requested by the Chairperson of the Committee.

3.2 A quorum for a Committee meeting shall consist of two members.

3.3 The Company Secretary will be the secretary to the Committee and will be responsible for:

- (a) maintaining minutes of the Committee meetings (which must be approved and signed by the Chairperson);
- (b) maintaining records of any Committee reports or recommendations; and
- (c) ensuring the agenda for each meeting and supporting papers are circulated, after approval from the chairperson, at least one week before the meeting.

3.4 The Chief Financial Officer (CFO) and other relevant Insearch employees may be invited to attend Committee meetings.

3.5 Internal audit and external audit representatives will be invited to attend each meeting, unless requested not to do so by the Chairperson.

3.6 The Committee will meet separately with both the internal and external auditors at least once a year.

### **4. DUTIES AND RESPONSIBILITIES**

The Committee has no executive powers unless delegated to it by the Insearch Board.

The Committee is directly accountable to the Board for the exercise of its responsibilities, recognising at all times that the primary responsibility for management of Insearch rests with the Managing Director/CEO.

#### **4.1 Members responsibilities**

Members of the Committee are expected to:

- (a) make themselves available as required to attend and participate in meetings;
- (b) contribute the time needed to study and understand the papers provided;
- (c) apply good analytical skills, objectivity and good judgment abide by the relevant ethical codes;
- (d) express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry; and
- (e) declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted and included in the respective register.

#### **4.2 Financial Reporting**

Without limiting its scope, the Committee will:

- (a) review reports received from the internal and external auditors;
- (b) review the soundness and effectiveness of management's approach to maintaining an internal control framework including external parties such as contractors and advisors;

- (c) monitor the quality of the audits conducted by the internal and external auditors;
- (d) maintain open lines of communication with the internal and external auditors; and
- (e) have the power to authorise investigations into any matter within the Committee's scope of responsibilities.

#### **4.3 Review of Financial Information**

Without limiting its scope, the Committee is to review the draft statutory annual financial statements of Insearch prior to consideration by the Board, to satisfy itself that the financial statements are supported by appropriate management signoff from the Managing Director/CEO and CFO:

- (a) that in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of Insearch's financial position and performance; and
- (b) that opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **4.4 Taxes**

Without limiting its scope, the Committee is to monitor compliance with all tax obligations.

#### **4.5 Risk Management**

Without limiting its scope, the Committee will:

- (a) ensure that Insearch has in place a current and comprehensive risk management framework which enables Insearch to manage its significant obligations within the risk appetite set by the Board;
- (b) review whether a sound and effective approach has been followed in developing strategic risk management plans and business continuity plans, including whether disaster recovery plans have been tested periodically;
- (c) review the impact of Insearch's risk management process on its control environment and insurance arrangements;
- (d) periodically review and endorse Insearch's Risk Management Framework and Policy to the Board for approval;
- (e) consider how management identifies any required changes to the design or implementation of internal controls;
- (f) review Insearch's anti-bribery and corruption policies and satisfy itself that Insearch has appropriate processes and systems in place to capture and effectively investigate fraud related information;
- (g) review whether management has taken steps to embed a culture which is committed to ethical and lawful behavior; and
- (h) have oversight of Insearch's anti-corruption programs conducted by management.

#### **4.6 Internal Audit**

In relation to the internal auditor, the Committee should:

- (a) review the internal audit coverage and annual work plan to ensure the plan is based on Insearch's Risk Management Framework;
- (b) oversee the coordination of audit programs conducted by internal audit and other review functions;
- (c) review all audit reports and provide advice to the Board on significant issues identified in audit reports and action taken on issues raised;

- (d) monitor management's implementation of internal audit recommendations;
- (e) approve the annual internal audit budget;
- (f) periodically review the performance of internal audit; and
- (g) recommend to the Board the appointment or termination of the internal audit provider.

#### **4.7 External Audit**

In relation to the external auditor, who is appointed by legislation, the Committee should:

- (a) before the audit commences, discuss with the external auditor the nature and scope of the audit and the level of fees payable;
- (b) discuss the issues and/or reservations arising from the interim and final audits, and any matters the auditor may wish to discuss;
- (c) review any reports from the external auditor with regard to the auditor's independence, which may describe any or all of the following:
  - (i) the audit firm's internal quality control and conflict procedures;
  - (ii) any material issues raised by the most recent quality control, or peer review, of the audit firm, and any steps taken to address such issues; and
  - (iii) all relationships between the external auditor and Insearch.
- (d) monitor management's implementation of audit recommendations; and
- (e) provide advice to the Board on action taken on significant issues raised in external audit reports.

#### **4.8 Legal and Regulatory Compliance**

Without limiting its scope, the Committee will monitor Insearch's compliance with:

- (a) all relevant statutory and regulatory obligations; and
- (b) all internal policies and procedures (including the Insearch Code of Conduct) which are developed in line with the Insearch "Policy Governance Framework",

and periodically review and endorse the Compliance Management Framework and Policy to the Board for approval.

#### **4.9 Other**

Other responsibilities of the Committee include, but are not limited to:

- (a) reviewing policies and practices on sensitive financial issues;
- (b) identifying and directing any special projects or investigations as agreed with the Chairperson of the Board;
- (c) examining any other matters referred to it by the Board; and
- (d) acting as a forum for communication between the Board, senior management, and internal and external auditors.

### **5. REPORTING**

5.1 The Committee is to report on its meetings to the Board (which may be either verbally or in writing).

5.2 All recommendations of the Committee are to be referred to the Board for approval.

## 6. ACCESS TO INFORMATION AND ADVICE

- 6.1 The Committee has unlimited, direct access to the internal and external auditors.
- 6.2 The Committee has the authority to seek any information it requires from any Insearch employee or contractor (**Employee**) and all Employees must comply with such requests. Normally (unless a conflict exists so that to do so would be inconsistent with their duties), the Committee is to request any such information via the CFO.
- 6.3 In carrying out its functions, the Committee or the CFO, as the case may be, may take independent legal, accounting or other professional advice or assistance, at the reasonable expense of Insearch. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee or the CFO, as the case may be, is to request such information, professional advice or assistance permitted under this clause 6 via the Chairperson.

## 7. COMMITTEE PERFORMANCE

To determine whether it is functioning effectively, the Committee shall:

- (a) review this Charter every two years; and
- (b) undertake an evaluation of its performance (including the performance of the Chairperson and each member) at intervals considered appropriate by the Chairperson, but at least every three years.

Approved by the Board  
Date: 6 December 2018