



## **AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER**

### **INTRODUCTION**

The ITL Limited Audit and Risk Management Committee has been formed by the Board of Directors to act on behalf of the Board in overseeing all material aspects of the company's financial reporting, control and audit functions. This committee is also responsible for ensuring that the Group has adequate processes for managing business and financial risk and complying with significant applicable legal, ethical and regulatory requirements.

### **STRUCTURE AND COMPOSITION**

Members of the Audit and Risk Management Committee are appointed by the Board. This committee is to consist of:

- Only non-executive directors;
- At least two and no more than four members;
- Members who have an understanding of financial statements and general accounting principles; and
- At least one member who has financial experience.

The Chairman of the audit committee is to be an independent non-executive director who is not the Chairman of the Board.

The Chief Financial Officer is to attend all Audit and Risk Management Committee meetings and ensure that minutes are taken. The Chief Executive Officer and any other directors may also attend meetings.

### **MEETINGS AND ATTENDANCE**

The Audit and Risk Management Committee should meet at least four times per year. Additional meetings may be requested by any member, Chief Executive Officer, Chief Financial Officer, Managing Director, the head of the internal audit section (if any) or the partner of the external auditor.

A quorum for a Committee meeting is two members.

Recommendations of the Audit and Risk Management Committee are referred to the Board for approval, with the exception of the external (and internal, if any) audit plans.

Committee members may meet with management privately or the internal (if any) or external audit representatives if deemed necessary.

### **REPORTING**

The Audit and Risk Management Committee shall report a summary of the findings of each Committee meeting to the Board of Directors. All directors shall receive a copy of the minutes of the Audit and Risk Management Committee meetings.



## **AUTHORITY**

Any member of the Audit and Risk Management Committee has authority to:

- Investigate any activity within its responsibilities;
- Seek any information it requires from any employee;
- Gain access to all records, property and personnel within the Group; and
- Obtain outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

## **FUNCTION / RESPONSIBILITIES**

The Audit and Risk Management Committee is responsible for assisting the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- Financial reporting
- Reviewing and assessing the Company's business and financial risk management process, including the adequacy of the overall internal control environment and controls in selected areas representing significant risk
- External Audit
- Internal Audit

To fulfil these functions the Committee is responsible for:

- Reviewing all published financial accounts, statements and reports issued by the Company with a view to making a recommendation to the Board as to whether they give a true and fair view of the financial position and performance of the Company as required by the Corporations Act 2001 (Cth) and all applicable accounting standards;
- Appointment of external auditors;
- External auditor engagement letter;
- Audit scope;
- The independence and effectiveness of the internal and external auditors;
- The internal controls, policies and procedures which the Company uses to identify and manage business risks;
- Non-audit services;
- Review of Directors' Related Party transactions;
- Litigation other than in the normal course of business;
- Reviewing and monitoring management's responsiveness to external audit findings;
- Major financial transactions outside normal business in excess of authorities;
- Compliance with the Corporations Act and ASX Listing Rules;
- Compliance with legislation relevant to the Group's operations;
- Considering the effect on the Group of any new or proposed accounting practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements;
- Evaluation of policies and controls; and
- The adequacy of insurance cover for certain specific risks.



In addition, the Committee shall examine any other matters referred to it by the Board.

The Committee shall establish procedures for the receipt, retention and treatment of complaints (including "whistle blowing" complaints) received by ITL regarding risk management, legal/regulatory compliance, accounting, internal accounting controls or auditing. This is to include a process for confidential anonymous complaints by employees or other stakeholders.

#### **REVIEW OF AUDIT COMMITTEE CHARTER**

The Directors shall review this Charter annually and review its effectiveness.