

# Infomedia Limited

## Audit & Risk Committee Charter

### Version Control

When	What	Approved by Board on
May 2015	Substantial redraft to align with current market practices	14 May 2015
November 2019	Reviewed and reaffirmed	n/a

# Infomedia Audit & Risk Committee charter

## Roles and Responsibilities

The role of the Audit & Risk Committee is to assist and advise the Board of Directors ('the Board') in fulfilling its responsibilities to shareholders of the company on financial and statutory reporting and risk management responsibilities by monitoring and reviewing:

- a. the integrity of the company's internal financial reporting and external financial statements;
- b. the effectiveness of internal financial controls;
- c. the independence, objectivity and performance of external auditors; and
- d. the policies and practices on risk oversight and management; and
- e. making recommendations to the Board in relation to the appointment of external auditors and approving the remuneration and terms of their engagement.

The Audit & Risk Committee was established by resolution of the Board and is provided with the powers necessary for it to perform its functions. It is not a policy making body, but assists the Board by implementing Board policy and making recommendations to the Board and management in respect of matters for which it is responsible.

Ultimate responsibility for the integrity of the Company's financial reporting and risk management rests with the full Board notwithstanding the establishment of the Committee.

## Responsibilities with respect to financial reporting

The duties of the Committee with respect to financial reporting are:

1. Making a recommendation to the Board as to whether the Company's financial statements reflect the understanding of the members of the Committee of, and otherwise provide a true and fair view of, the financial position and performance of the Company.
2. Requiring the CEO and the CFO to make signed and written declarations that, in their opinion (formed on the basis of a sound system of risk management and internal control which is operating effectively):
  - a. the financial records for the financial year have been correctly maintained;
  - b. the financial statements and notes for the financial year comply with the relevant accounting standards;
  - c. the financial statements and notes for the financial year give a fair and true view of the financial position and performance of the Company; and
  - d. any other matters in relation to the financial statements that are materially relevant.
3. Reviewing financial statements, including for adherence to accounting standards and policies and the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth) (including continuous disclosure requirements).
4. Assessing significant estimates and judgments in financial reports by asking management about the process used in making material estimates and asking the external auditors the basis for their conclusions on the reasonableness of management's estimates
5. Reviewing significant financial reporting issues, including complex or unusual transactions; highly judgmental areas; and recent professional and regulatory announcements and understanding their effect on the financial report.

6. Reviewing with management and the external auditors the results of the audit, including any difficulties encountered.
7. Reviewing with management and the external auditors all matters required to be communicated to the Committee under the Australian Auditing Standards.
8. Considering the appropriateness of the accounting principles and policies adopted and any amendments, as well as the methods of applying those principles and policies ensuring they are in accordance with the stated financial reporting framework.
9. Understanding how management develops interim financial information and the nature and extent of external auditor involvement.
10. Assessing management explanations for unusual transactions or significant variances from prior year results or current year budget.
11. Reviewing management processes supporting compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of financial and non-financial information, including ensuring the information does not conflict with the financial statements and other documents.
12. Reviewing, and where necessary challenging, the actions, choices and judgment of management in relation to all financial reports.

### Responsibilities with respect to risk management and internal control environment

The Committee shall consider and use its reasonable endeavours to:

1. Maintain an up-to-date understanding of areas where the Company is, or may be, exposed to risk and compliance issues and check that management is effectively managing those issues, such as:
  - a. non-compliance with laws, regulations, standards and best practice guidelines including industrial relation, occupational health and safety, environmental and trade practice laws;
  - b. important judgements and accounting estimates;
  - c. litigation and claims;
  - d. fraud, theft or other breakdown of the entity's internal controls; and
  - e. relevant business risks not dealt with by other Board committees.
2. Receive reports concerning material and actual incidents within the risk areas above and ensuring that macro risks are reported to the Board at least annually.
3. Review the adequacy and effectiveness of the Company's policies and procedures which relate to risk management and compliance and reviewing the completeness and accuracy of the Company's principal corporate governance practices as required by ASX Listing Rules.

4. Review material documents and reports prepared for lodgement with regulators, assessing their impact on the Company and making recommendations to the Board on their approval or amendment.
5. Make recommendations to the Board on the appropriate risk and risk management reporting requirements.
6. Meet periodically with senior key officers of the Company, external auditors and compliance staff to understand the Company's risk management and internal compliance and control system.
7. Provide advice to the Board on relevant corporate level performance indicators and targets for risk management and compliance activities.
8. Undertake an annual review of risk management policy and underlying strategies and procedures to check its continued application and relevance.
9. Examine and evaluating the effectiveness of the internal control system with management and external auditors.
10. If considered necessary by the Committee, establish a periodic and independent review of the implementation and effectiveness of the risk management policy to provide objective feedback to the Board as to its effectiveness.
11. Receive and consider reports on risk management and compliance programs and performance against policy and strategic targets.
12. Review the adequacy of the Company's insurance coverage, having regard to the Company's business and the insurable risks associated with its business.
13. Examine any matters referred to it by the Board.

### Responsibilities with respect to external auditor

The Committee's duties include to:

1. Make recommendations to the Board on the appointment, remuneration and monitoring of the effectiveness and independence of the external audit provider.
2. Review the external audit provider's fee and be satisfied that an effective audit can be conducted for the fee.
3. Review and approve the external audit plans, including identified risk areas and any additional agreed-upon procedures, and the annual engagement letters of the external auditor, including payment of annual fees and variations to approved fees.
4. Monitor and note compliance by the external auditor with the independence requirements imposed by the Corporations Act and will receive and review the auditor's independence

declaration to be provided to the Directors by the external auditor pursuant to section 307C of the Corporations Act.

5. Monitor and critique management's responsiveness to the external audit provider's findings and recommendations – ask the provider if there have been any significant disagreements with management (irrespective of whether they have been solved).
6. Provide the opportunity for Committee members to meet with the external audit provider without management personnel being present at least once a year.
7. Advise the board on the rotation of the external audit provider at intervals of approximately each five years or otherwise as appropriate.
8. Approve rotation of partners of the external auditor.
9. Consider the overall effectiveness and independence of the external auditor; and resolve any disagreements between management and the external auditor regarding financial reporting.
10. Implement a process for approval of all audit and non-audit services provided by the external auditor (who are not to be appointed to undertake any non-audit assurance services that may impair the external auditor's judgment or independence in respect of the Group).
11. Agree with management the hiring policies for employees or former employees of the external auditor to comply with the Corporations Act and to prevent the impairment or perceived impairment of the external auditor's judgment to independence.

### Responsibilities with respect to related party transactions

The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

### Composition and term

The Audit & Risk Committee is a committee of the Board. The Board will appoint and remove Committee members.

The Committee will include at least three members, two of whom must be independent directors.

The Committee must include a majority of independent directors.

The Chairman of the Board will appoint the Committee's chairman, who must be an independent director.

Each member of the Committee must be financially literate (that is, are able to read and understand financial statements) and, to the extent practicable given the size and composition of the Board from time to time, the Committee must include:

- at least one member who has financial expertise, that is, a qualified accountant or other professional with experience of financial and accounting matters; and
- some members who have an understanding of the industry in which the company operates.

Members of the Committee must have an appropriate level of understanding of the principles of corporate governance, including knowledge of the Australian Securities Exchange (ASX) Corporate Governance Principles and Recommendations (Recommendations).

Appointment to the committee will be for three years or as determined by the Board.

The duties and responsibilities of a member of the Committee will be in addition to those duties set out for a director of the Board.

### Meetings

The Committee will hold meetings at least four times a year. The Committee's secretary must call a meeting if requested to do so by any member of the Committee or the external auditor.

A quorum will be the smallest number greater than half the members

In the Chairman's absence from a meeting, the members of the committee present at the meeting will select a chairman for that particular meeting, who must be an independent director.

Meetings of the Committee may be held face-to-face or by any technological means by which members can participate in a discussion.

Any matters requiring a decision will be decided by a majority of votes of members present.

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members. Any member of the Board may attend a meeting of the Committee as an invitee on their request.

The external auditor may be invited to attend any Committee meeting to review the audit plan, discuss audit results and consider the implications of external audit findings.

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting.

### Powers of Committee

The Committee has unrestricted access to management, external auditors and all company records for the purpose of carrying out its responsibilities under this charter.

The Committee will meet with external auditors, in the absence of management, as often as required, but not less than once a year.

The Committee has the power to interview management and, without management present, to:

- conduct any investigations;
- seek explanations and additional information;
- engage any independent experts; and
- interview any external auditors.

The Committee has the power to engage any independent experts that it considers necessary or appropriate to help it fulfil its duties. Costs associated with these investigations will be borne by the Company.

### Secretariat duties

The Company secretary will act as secretary of the Committee (Secretary) unless determined otherwise by the Board.

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible.

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable after the close of the meeting. The minutes should ordinarily be included in the papers for the next full Board meeting after each Committee meeting.

The Committee Chairman will provide an oral report to the Board should a Board meeting be scheduled before the minutes can be prepared and circulated. The Chairman should report on the proceedings of the Committee meeting, the outcomes and recommendations and any other relevant issues.

#### Committee's performance evaluation

The Committee will review its performance annually, including the extent to which it has met its responsibilities under this charter.

#### Review of charter

The committee should review their charter annually to provide assurance that it remains consistent with the board's objectives and responsibilities. Where changes are considered necessary, these should be recommended to the Board which retains the power to approve the charter and any revisions to it.