

IPH Limited Audit and Risk Committee Charter

ACN 169 015 838

Approved by the Board on 11 June 2024



1. Introduction

Objectives

The objective of the IPH Limited (**Company**) Board's Audit and Risk Committee (**AR Committee**) is to assist the Board in fulfilling its corporate governance responsibilities with respect to financial reporting, audit management and risk management, including:

- (a) with respect to financial reporting and audit management:
 - (i) compliance with legal and regulatory obligations;
 - (ii) the integrity of the financial reporting for the Company and its related entities (**Group**);
 - (iii) oversight of the independence of the external and internal auditors; and
 - (iv) the effectiveness of the Group's enterprise-wide financial management and internal control framework; and
- (b) with respect to risk management, in relation to:
 - (i) risk appetite and risk management framework;
 - (ii) risk policies, systems, processes and controls; and
 - (iii) the effectiveness of the Group's risk management framework.

Compliance

The AR Committee is to undertake the function of the audit committee set out in Recommendation 4.1 and the risk committee set out in Principle 7 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Corporate Governance Principles and Recommendations**).

2. Membership

Structure

- (a) The AR Committee is appointed by the Board in accordance with Clause 6.15 of the Constitution.
- (b) The AR Committee is to consist of:
 - (i) at least three members; and
 - (ii) only Non-executive and independent Directors,
(AR Committee Members).
- (c) The chairman of the AR Committee is to be appointed by the Board (but is not to be the Chairman of the Board) **(AR Committee Chair)**.
- (d) The AR Committee Members must between them have the sufficient accounting and financial expertise and a sufficient understanding of the industry in which the Company operates, to be able to effectively discharge the AR Committee's obligations under this AR Committee Charter.



Term

- (a) AR Committee Members will be appointed for an initial term of up to three years with the appointment being subject to review annually or earlier if circumstances dictate.
- (b) The appointment of an AR Committee Member will cease if that person ceases to be a Director or as otherwise determined by the Board.

Fees

AR Committee Members are entitled to receive remuneration as determined from time to time by the Board.

3. Meetings

Convening Meetings

The AR Committee should meet at least four (4) times a year. If required, additional meetings may be requested through the AR Committee Chair by any member, the Company Secretary or the external auditor of the Company.

Quorum

The quorum for an AR Committee meeting is two (2) AR Committee Members.

Attendance at meetings

- (a) Directors who are not AR Committee Members may attend meetings.
- (b) Appropriate members of management are to attend AR Committee meetings, at the invitation of the AR Committee Chair, to provide reports and periodic presentations to the Committee.
- (c) The Company Secretary is to attend all AR Committee meetings to ensure minutes are taken of the meeting.

Conduct of meetings

The AR Committee will use its meetings to:

- (a) with respect to financial reporting and audit management:
 - (i) meet with management to discuss any issues relating to the external audit or any internal audit; and
 - (ii) as required, meet with the external and internal auditors to discuss any relevant issues and seek assurance that no management restrictions are being placed upon the auditor;
- (b) with respect to risk management:
 - (i) meet with management to discuss any issues relating to the design, implementation or operation of the Risk Management Framework;
 - (ii) review any breach of laws or any material breach of a Group policy, such as the Code of Ethics and Professional Conduct, the Anti-Bribery Policy, the Sanctions Policy or the Share Trading Policy, or other breakdown of the Group's internal controls;



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- (iii) review the Group's insurance program, having regard to the Group's business and its insurable risks; and
 - (iv) review material risk events reported across the Group, including high and very high enterprise risks and emerging enterprise risks, and the management of those risks.

Report

- (a) The AR Committee will report on its meetings to the Board as required by the ASX Corporate Governance Principles and Recommendations.
- (b) Recommendations of the AR Committee are to be referred to the Board for approval, with the exception of:
 - (i) rotation of partners of the external auditor; and
 - (ii) approval of the audit plans and engagement letters of the external auditor, including the payment of annual fees and variations to approved fees.

4. Authority

The AR Committee has authority to:

- (a) exercise the power and authority delegated to it by the Board;
- (b) make recommendations to the Board;
- (c) resolve any disagreement between management and any external auditor, with areas of significant disagreement being advised to the Board;
- (d) conduct or direct any investigation required to fulfil its responsibilities;
- (e) obtain all information necessary for the performance of its duties;
- (f) obtain (at the Company's expense) legal, accounting, financial, corporate governance or other external advice to perform its duties;
- (g) require the attendance of members of management at AR Committee meetings;
- (h) have direct access to any employee or contractor of the Group and seek any information it requires from any employee in order to perform its duties;
- (i) form and delegate full power and authority to sub-committees comprised of one or more AR Committee Members; and
- (j) meet with external and internal auditors.

5. Responsibilities and Duties

Audit Responsibilities

- (a) The AR Committee is responsible for the review and monitoring of financial reporting, audit and financial management strategies, systems, policies and processes implemented, and reported on, by management.



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- (b) AR Committee Members generally do not represent themselves as experts in the fields of accounting, auditing or financial management. As such, it is not the responsibility of the AR Committee directly to conduct accounting, audit or financial reviews.
 - (c) Management is responsible for:
 - (i) the preparation, presentation and integrity of the Group's financial information and other information provided to the AR Committee;
 - (ii) implementing, managing and maintaining appropriate enterprise-wide accounting, financial reporting and financial management strategies, systems, policies and processes, reporting protocols and internal controls that are designed to ensure compliance with applicable accounting standards, laws and regulations; and
 - (iii) maintaining sufficient knowledge, skills and expertise within the Company's finance function.
 - (d) The external auditor is responsible for planning and carrying out each audit and review in accordance with applicable auditing standards.

Review of Financial Information

- (a) The AR Committee will review the draft half yearly and annual financial statements of the Company and the Group and any associated documents for public release prior to consideration by the Board, to assess whether they represent a true and fair view of the financial position and performance of the Company and the entities consolidated for reporting purposes. The AR Committee should focus on:
 - (i) compliance with accounting standards (including an assessment of the appropriateness of management's selection of accounting policies and disclosures);
 - (ii) significant or unusual transactions and accounting estimates;
 - (iii) significant changes in accounting policies and practices;
 - (iv) underlying earnings and major judgmental areas;
 - (v) significant audit adjustments and unadjusted audit differences; and
 - (vi) the form of the proposed opinion to be issued by the external auditor.
- (b) The AR Committee will review the declarations signed by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act.

Legal and Regulatory Compliance

- (a) Without limiting its scope, the AR Committee will, in conjunction with the Board and management, monitor the Group's compliance with all:
 - (i) statutory and regulatory obligations, including those relating to the integrity of the financial reporting for the Group and the effectiveness of the Group's enterprise-wide financial management and internal control framework, including the ASX's continuous disclosure obligations; and
 - (ii) relevant internal policies and procedures.



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- (b) The AR Committee will consider the effects on the Group of any new or proposed accounting or tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

External Audit

- (a) The AR Committee will:
 - (i) recommend to the Board the appointment, reappointment or replacement of the external auditor;
 - (ii) approve rotation of partners of the external auditor;
 - (iii) review and approve the audit plans and engagement letters of the external auditor, including payment of annual fees and variations to approved fees;
 - (iv) review the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures;
 - (v) consider the overall effectiveness and independence of the external auditor; and
 - (vi) resolve any disagreements between management and the external auditor regarding financial reporting.
- (b) The AR Committee will 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.
- (c) The AR Committee will implement a process for approval of all audit and non-audit services provided by the external auditor (who is 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).
- (d) On an annual basis, the AR Committee will review a report from the external auditor:
 - (i) confirming that the audit firm's internal quality control and conflict procedures are in place and operating; and
 - (ii) describing any material issues raised by the most recent quality control, or peer review, of the audit firm and any steps taken to deal with any such issues.
- (e) The AR Committee and management will agree 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.
- (f) Prior to the approval of the Annual Report each year, the AR Committee will pass a resolution to provide the Board with the written advice required by section 300(11D)(a) of the Corporations Act relating to:
 - (i) whether any non-audit services provided during the year by the external auditor are compatible with the general standard of independence of auditors imposed by the Corporations Act; and
 - (ii) the reasons why the Board should be satisfied that any non-audit services provided during the year by the external auditor did not compromise the auditor independence requirements of the Corporations Act.



Internal Audit

The AR Committee will:

- (a) recommend to the Board the appointment, reappointment or replacement of the internal auditor;
- (b) review and approve the audit plans and engagement letters of the internal auditor;
- (c) review the overall scope of the internal audit function, including identified risk areas and any additional agreed-upon procedures;
- (d) consider the overall effectiveness and independence of the internal auditor; and
- (e) resolve any disagreements between management and the internal auditor.

Risk Responsibilities

- (a) The AR Committee is responsible for monitoring the effectiveness of the Group's Risk Management Framework, particularly with reference to the risk appetite statement set by the Board.
- (b) Management is responsible for:
 - (i) the design, preparation, and implementation of the Group's risk management system to effectively manage the Group's risks and ensure compliance with laws and regulations;
 - (ii) implementing, managing and maintaining appropriate enterprise-wide risk management policies, systems, processes, controls, and reporting protocols that are designed to effectively manage the Group's risks and ensure compliance with laws and regulations;
 - (iii) providing timely, accurate and complete information to the AR Committee on the Risk Management Framework; and
 - (iv) maintaining sufficient knowledge, skills and expertise within the Company, and devoting sufficient resources, to effectively manage the Group's risks.

Review of Incidents

- (a) The AR Committee is responsible for reviewing any breach of laws, any material breach of a Group policy, such as the Code of Ethics and Professional Conduct, the Anti-Bribery Policy, the Sanctions Policy or the Share Trading Policy, or other breakdown of the Group's internal controls.
- (b) Management is responsible for providing timely, accurate and complete information to the AR Committee on the Risk Management Framework, and any incident involving a breach of laws, any material breach of a Group policy or other breakdown of the Group's internal controls.

Review of Insurance Program

- (a) The AR Committee will review the Group's insurance program and seek assurance from management that the Group's insurable risks are appropriately covered.
- (b) Management is responsible for implementing, maintaining and enhancing an appropriate insurance program for the Group as part of the Risk Management Framework.



Review of Information

- (a) The AR Committee will review any public statements to be made by the Company on its exposure to risks and the management of those risks, including any material exposure to economic, environmental and social sustainability risks.
- (b) Management is responsible for the preparation of any public statements to be made by the Company on its exposure to risks and their management.

Other

The AR Committee shall examine any other matters referred to it by the Board.

6. Committee Performance

To determine whether it is functioning effectively, once each year the AR Committee shall:

- (a) review this AR Committee Charter; and
- (b) perform an evaluation of its performance.





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