

# **Audit and Risk Management Committee Charter**

**Version: 2022, Version 7**

**February 2022**

# 1. Document Control

## 1.1 Purpose

The Audit and Risk Management Committee Charter sets out the functions and operations of the Audit and Risk Management Committee of iSelect.

## 1.2 Charter information

Charter contact:	Company Secretary	Charter owner:	Board
Approval date:	21 February 2022	Effective date:	21 February 2022
Review period:	Annual	Next review date:	February 2023

## 1.3 Record keeping requirements

Documents relating to this Charter will be retained for seven years after they have been superseded.

## 1.4 Document history

Version	Date Approved	Author	Description
v.1	7 May 2013	External Legal Counsel	Creation
v.2	24 August 2015	Board	Update following periodic review
v.3	10 October 2016	Board	Update following periodic review
v.4	7 December 2017	Board	Update following periodic review
v.5	11 December 2019	Board	Update following period review and in line with the 4 <sup>th</sup> Edition Corporate Governance Principles and Recommendations
v.6	9 December 2020	Board	Update following periodic review
v.7	21 February 2022	Board	Update following periodic review

## 1.5 Definitions

Term	Definition
Committee	Means the Audit and Risk Management Committee established by the Board.
Board	Means the Board of Directors of iSelect.
Charter	Means this Nominations Committee Charter.
Company	Means iSelect.
iSelect	Means iSelect Limited (ACN 124 302 932).

## 1.6 Related documents

iSelect's Constitution  
iSelect's Board Charter

## 2 Charter

### 2.1 Introduction

The Board of iSelect have established an Audit and Risk Management Committee. The purpose of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities relating to:

- the integrity of iSelect's financial reporting;
- the effectiveness of iSelect's systems of financial and non-financial risk management and internal controls;
- the internal and external audit functions;
- iSelect's risk profile and risk policy; and
- the effectiveness of iSelect's risk management framework and supporting risk management systems.

### 2.2 Duties and responsibilities of the Committee

The duties and responsibilities of the Committee include:

#### Financial reporting and internal controls

- a) overseeing iSelect's financial reporting processes and internal control framework in the interests of safeguarding the integrity of financial reporting;
- b) reviewing iSelect's statutory financial reports to form a view as to whether the financial statements provide a true and fair view of the financial position and performance of iSelect;
- c) overseeing the formulation and implementation of new accounting judgements exercised by management in preparing the financial statements;
- d) reviewing the ongoing appropriateness of the accounting judgements exercised by management in preparing the financial statements;
- e) reviewing the representations provided by management in relation to iSelect's statutory financial reports, including that the CEO and CFO declaration under s.295A of the Corporations Act 2001 (Cth) has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- f) reviewing budget and dividend recommendations from management; and
- g) making recommendations arising from the above reviews, for consideration by the Board, in connection with the approval and disclosure of iSelect's statutory financial reports.

#### Assessment of systems of financial and non-financial risk management and internal controls

- a) reviewing and monitoring iSelect's financial licensing and regulatory compliance systems, and risk management policies, procedures and systems;
- b) overseeing the process of identification and assessment of any material financial and non-financial risks (including enterprise risks and risks in relation to occupational health and safety) that may impact the business;
- c) discussing with management, the internal auditor and the external auditor iSelect's accounting and financial controls, and the policies and procedures to assess, monitor and supervise financial risk, business risk, tax risk, technology and cyber risk, and legal and ethical compliance programs, for the purpose of forming a view as to their appropriateness and effectiveness;
- d) discussing with management, the internal auditor and the external auditor, iSelect's

accounting policies and methods for the purpose of forming a view as to their appropriateness;

- e) reviewing all relevant reports produced by the internal auditor and the external auditor and management's response to the matters raised therein and become satisfied that accounting records are properly maintained in accordance with statutory requirements;
- f) making any recommendations considered necessary in relation to the matters arising from such reports; and
- g) reviewing and monitoring the appropriateness of related party transactions involving iSelect and any associated disclosures in the statutory financial reports.

#### **Internal audit (if established)**

- a) reviewing and evaluating the internal auditor's objectives, competence and resourcing and the overall effectiveness of the internal audit function;
- b) if the internal audit function is to be provided by an external party, recommend to the Board the appointment (and where appropriate, replacement) of the internal auditor and the terms of their engagement;
- c) reviewing and approving the annual internal audit plan and work program and conducting sufficient enquiry to be satisfied as to its adequacy;
- d) overseeing the co-ordination and progress of the internal audit work program and monitor management's responses to, and implementation of, the recommendations and findings identified;
- e) reviewing the relevant disclosures, in relation to each reporting period, relating to the structure and performance of the internal audit function; and
- f) reviewing and approving annually the Internal Audit Charter.

#### **External audit**

- a) recommending to the Board the appointment and remuneration (and, where appropriate, replacement) of the external auditor and the terms of their engagement;
- b) reviewing and making recommendations regarding the overall scope and adequacy of the external audit, including identifying risk areas and any additional procedures considered necessary;
- c) reviewing external audit plans, including changes to those plans, and reviewing progress reports prepared by the external auditor and determining whether all matters raised, including identified key audit matters, are receiving appropriate attention by management;
- d) engaging with the auditors regarding any disagreements between the external auditor and management in relation to financial reporting; and
- e) monitoring and periodically evaluating the effectiveness of the external auditor.

#### **Independence of the external auditor and provision of non-audit services**

- a) periodically assessing the independence of the external auditor by considering the relationships and services provided by the external auditor that may lead to an actual or perceived lack of independence;
- b) receiving and reviewing a written report from the external auditor stating that the external auditor has complied with all professional and regulatory requirements relating to auditor independence prior to the completion of the statutory financial reports;
- c) reviewing and recommending to the Board the appropriate statutory disclosures of the details of fees paid to the external auditor, including an analysis of non-audit services, and whether

the provision of non-audit services by the external auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth), and has not compromised that independence; and

- d) ensuring that the lead external audit engagement partner be rotated at least every five years, or more frequently if the Committee considers it desirable to maintain the external auditor's independence.

#### **Risk appetite and profile oversight**

- a) assisting the Board in setting the risk appetite for the business, and satisfy itself that iSelect operates with due regard to that risk appetite;
- b) forming an opinion on the adequacy and effectiveness of iSelect's process of identifying and assessing areas of potential material risk, as well as the monitoring and controlling of identified material risks;
- c) reviewing reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management have in place to manage those risks;
- d) reviewing and assessing any breaches of risk controls or risk policies and ensuring these breaches are appropriately mitigated or remedied by management; and
- e) making recommendations arising from the above reviews, for consideration by the Board, in relation to changes to the risk management framework or risk appetite.

#### **Effectiveness of the risk management framework**

- a) reviewing, at least annually, and oversee management's performance against iSelect's risk management framework, to satisfy itself that it continues to be sound and that iSelect is operating with due regard to the risk appetite set by the Board and reviewing the disclosure, in relation to each reporting period of whether this review has taken place;
- b) reviewing iSelect's legal and ethical compliance programs;
- c) reviewing and monitoring compliance with, iSelect's Privacy Policy, Modern Slavery Statement, Whistleblower Policy and Anti-bribery and Corruption Policy, and review any material incidents or breaches reported to the Committee under those policies;
- d) requesting and monitoring investigations into areas of risk, breaches of risk management policies and procedures and failures in internal control; and
- e) reviewing and evaluating at least annually, the structure and adequacy of iSelect's group insurance program.

#### **Other matters**

- a) overseeing iSelect's compliance with laws applicable to iSelect's business and processes and procedures maintained for this purpose;
- b) reviewing any legal matters which could significantly impact iSelect's compliance and risk management systems, and any significant compliance reporting issues, including any recent internal regulatory compliance review and reports;
- c) reviewing iSelect's corporate report disclosures, including statutory financial reporting, performance against the risk management framework and reporting on material environmental, social and governance matters, for recommendation to the Board;
- d) reviewing other relevant matters identified from time to time, or as requested by the Board.

### **2.3 Committee composition**

The Committee will have at least three members. The members will be appointed by the Board.

Each member will be a Non-executive Director of the Board. A majority of the members will be

independent Directors.

The Board will appoint the Chair of the Committee from amongst the independent Directors. The Chair of the Committee will not also be the Chair of the Board.

Each member will be financially literate (that is, be able to read and understand financial statements), have familiarity with financial management and an understanding of the industry in which iSelect operates. At least one member will have relevant qualifications and experience (that is, be a qualified accountant or other financial professional with experience of financial and accounting matters).

Members of the Committee may resign by giving reasonable notice in writing to the Chair of the Committee.

If a member ceases to be a Director of the Board, that member ceases to be a member of the Committee.

## **2.4 Administrative matters**

### **Meetings**

The Committee will meet as often as the members deem necessary in order to fulfil their role, although it is intended that the Committee meeting no less than twice each calendar year. Additional Committee meetings may also be convened as the Chair of the Committee considers necessary, taking into account requests from any member, the Chief Executive Officer (**CEO**), Chief Financial Officer (**CFO**), the internal auditor (if applicable) or the external auditor.

A quorum of the Committee will comprise any two members.

If the Chair of the Committee is unable to attend a Committee meeting, the Chair, or the members present, will appoint another member who is an independent Director to act as Chair at that meeting.

Members may attend Committee meetings in person or participate by videoconference or other electronic means. Committee decisions may be made by circular or written resolution. A circular or written resolution signed by all members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each signed by one or more members. The expression "written" includes email or other electronic means.

### **Attendance**

Notice of Committee meetings will be provided to Directors of the Board who are not members and such Directors may attend Committee meetings.

Notice of Committee meetings will also be provided to the CEO, the CFO, the internal auditor and the external auditor, who may attend meetings as requested. Other members of management and advisers may be invited to attend meetings, as the Chair of the Committee thinks fit. The internal auditor and/or the external auditor will be required to meet separately with the Committee, without management, upon request of the Chair of the Committee.

If a Committee member or an attendee has a material personal interest in a matter that is being considered at a Committee meeting, that person must not be present for consideration of that matter.

### **Secretary**

The Company Secretary (or nominee) will be the Secretary of the Committee (**Secretary**).

## **Agenda and documentation**

The agenda for each Committee meeting is determined by the Chair of the Committee, in consultation with the Secretary.

Any member may require business to be included on the agenda provided the Chair of the Committee and the Secretary have been given prior notice.

The agenda and supporting documentation for each Committee meeting will be circulated within a reasonable time prior to that meeting to members, other Directors, the CEO, the CFO, the internal auditor, the external auditor and other attendees, as appropriate.

## **Minutes**

Minutes of Committee meetings will be prepared by the Secretary and approved by the Chair of the Committee in draft.

The minutes will be confirmed at the next Committee meeting and then signed by the Chair of the Committee.

## **Reporting**

The minutes of each Committee meeting will be provided to all Directors of the Board.

The Chair of the Committee will, if requested at the next Board meeting after a Committee meeting, provide a brief verbal update as to any material matters arising out of the Committee meeting. All Directors may, within the Board meeting, request information of members of the Committee.

## **Authority and access**

Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board.

The Committee does not have any executive powers to commit the Board or management to the implementation of its recommendations, except where expressly stated in this Charter or as authorised by resolution of the Board.

The Committee is not responsible for supervising the performance of management and does not become involved in day-to-day operations, management functions or decision making.

The Committee will have unrestricted access to management. The Committee will also have rights to seek explanations and additional information from management. The Committee will also have unrestricted access to both the internal auditor and the external auditor (with or without the presence of management, at the Committee's discretion).

The Committee has authority to conduct or direct investigations into any matters within its Charter. The Committee is entitled to obtain external, independent professional advice as considered necessary or desirable by the Committee to assist it in any investigation or to carry out its duties. As appropriate, the Committee will inform the Chair of the Board, the CEO and the Company Secretary of its decision to authorise such an investigation or obtain such external advice.

## **2.5 Review**

The Board will, at least once in each year, review this Charter to determine its adequacy for current circumstances and may amend it as necessary. When it is considered appropriate, the Committee will review its membership and make recommendations to the Board.