

Audit & Risk Management Charter

Version:2019, Version 5

December 2019

1. Document Control

1.1. Purpose

The Audit & Risk Management Committee is established to assist the Board in fulfilling its responsibilities for corporate governance and oversight of iSelect's financial reporting, internal control structure, financial licensing and regulatory compliance systems, risk management systems and the internal and external audit functions.

1.2. Charter Information

Charter Contact:	Company Secretary	Policy Owner:	Board
Approval date:	11 December 2019	Effective Date:	11December 2019
Review period:	Annual	Next review date:	11 December 2020

1.3. Record keeping requirements

Documents relating to this Policy will be retained for seven years after they have been superseded.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	New charter created.
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 periodic review and in line with the 4 th Edition Corporate Governance Principles and Recommendations

1.5. Definitions

Term	Definition
The Committee	Means the Audit & Risk Management Committee
The Board	Means the Board of Directors of iSelect.
iSelect	Means iSelect Ltd (ACN 124 302 932).
Corporations Act	Means the <i>Corporations Act 2001 (Cth)</i> .

1.6. Related documents

iSelect Constitution.

2. Charter

2.1. Role of the Board Audit and Risk Management Committee and Authority

The Committee shall assist the Board in fulfilling its responsibilities for corporate governance and oversight of iSelect's financial reporting, internal control structure, financial licensing and regulatory compliance systems, risk management systems (relating to all financial and non-financial risks, including enterprise risk and risk in relation to occupational health and safety), and the internal and external audit functions. In doing so, the Committee has the responsibility to maintain free and open communication with the external auditor, internal auditor (if any), and iSelect's management.

The Committee is empowered to investigate any matter, with full access to all books, records, company operations, and people of iSelect and the authority to engage independent accounting, legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.

The Committee is a committee of the Board established in accordance with iSelect's Constitution and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time.

2.2. Membership

The Committee shall be members of, and appointed by, the Board and shall, to the extent practicable given the size and composition of the Board from time to time, comprise:

- a) at least three members each of whom must be Non-Executive Directors;
- b) a majority of members who are independent of management and iSelect (as determined in accordance with the iSelect Board Charter).

One member who is independent of management and iSelect, who does not chair the Board, shall be appointed to chair the Committee.

At least one member shall have accounting and/or related financial management expertise as determined by the Board (i.e. be a qualified accountant or other finance professional with experience of financial and accounting matters).

All Committee members shall have a reasonable understanding of the industries in which iSelect operates in.

Members will be appointed for a fixed period of no more than one year, with Committee members generally being eligible for re-appointment for so long as they meet the relevant criteria established above.

The appointment and removal of Committee members shall be the responsibility of the Board.

Members may resign as a Committee member upon reasonable notice in writing to the Committee Chair.

If a Committee member ceases to be a Director of the Board, their appointment as a member of the Committee is automatically terminated with immediate effect.

2.3. Meetings

The Committee shall meet as frequently as required to undertake its role effectively.

It may also meet in separate private sessions with each of the chief financial officer, external auditor and, if any, the internal auditor at least once each year and at other times when considered appropriate to assess management's effectiveness.

Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice must be given to every member of the Committee at the member's advised address for service of notice (or such other pre-notified interim address where relevant).

The Chief Executive Officer, Chief Financial Officer, Internal Audit Manager (if any) and the partner in charge of the external audit will be routinely invited to attend meetings of the Committee unless the Chair of the Committee decides otherwise. Other senior managers may be asked to attend when the Committee is reviewing specific agenda items.

There is an open invitation for all other Non-Executive Directors to attend Committee meetings. The proceedings of all meetings will be minuted by the Company Secretary.

All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any Director.

A quorum for any meeting will be at least two Committee members.

2.4. Duties and Responsibilities

The primary responsibility of the Committee is to report to the Board and provide appropriate advice and recommendations on matters relevant to this charter in order to facilitate decision-making by the Board.

The Committee shall ensure it understands iSelect's structure, business, controls, and types of transactions in order to adequately assess the significant risks faced by iSelect in the current environment.

The Committee's key responsibilities and functions are to:

- a) oversee iSelect's relationship with the external auditor and the external audit function generally including but not limited to determining the scope and adequacy of the external audit, appointment and removal of external auditor and review independency and performance of the external auditor;

- b) if applicable, oversee iSelect's relationship with the internal auditor and the internal audit function including but not limited to the selection or removal of the Head of Internal Audit, determine the scope and adequacy of the internal audit work plan and monitor independence, objectivity and performance of the internal audit function to ensure adequate internal financial control mechanisms are in place;
- c) oversee the preparation of the financial statements and reports;
- d) oversee the preparation of the Company's annual operating plans and budgets;
- e) oversee iSelect's financial controls and systems;
- f) oversee iSelect's compliance with laws applicable to marketing activities and iSelect's processes and procedures maintained for this purpose;
- g) review, monitor and approve iSelect's financial licensing and regulatory compliance systems and risk management policies, procedures and systems;
- h) manage 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;and
- i) Make recommendations to the Board in relation to any proposal for the External Auditor to provide non-audit services and determine the fees payable to the Auditor for audit and non-audit work.

2.5. Reporting

The Committee shall regularly report to the Board on all matters relevant to the Committee's role and responsibilities.

The Committee Chair will report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee.

Committee papers are distributed to all Committee members. Minutes of Committee meetings are included in the papers for the next full Board meeting, and a report is provided to the Board on matters addressed by the Committee.

As and when appropriate, the Committee will seek direction and guidance from the Board on audit, risk management and compliance matters.

The Committee shall advise the Board of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon iSelect in a timely manner.

The Committee Chair may represent the entire Committee in reporting to the Board.

2.6. Financial Reporting

After review with management and an external auditor, the Committee will recommend to the Board the financial statements and reports intended for publication for approval, including:

- a) Annual Financial Statements;
- b) Preliminary Final Report (Appendix 4E); and
- c) Half-yearly consolidated Financial Statements (Appendix 4D).

The Committee shall review all representation letters signed by management to ensure that all relevant matters are addressed. The Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the external auditor under generally accepted auditing standards.

The Committee shall review the results of the half-year and full year reviews and any other matters required to be communicated to the Committee by the external auditor under generally accepted auditing standards. This will include significant financial reporting issues and judgements made in connection with the preparation of iSelect's financial statements.

The Committee will assess the impact of changes in accounting standards and review recommendations for adoption of such changes in the financial accounts.

The Committee shall ensure that appropriate processes are in place to form the basis upon which the Chief Executive Officer and Chief Financial Officer execute their certifications under section 295A of the Corporations Act to the Board at year end in relation to the systems of internal controls, and that that system is operating effectively in all material respects in relation to financial reporting risks.

2.7. Internal Controls and Risk Management

The Committee's specific function with respect to risk management is to review and report to the Board that:

- a) iSelect's ongoing risk management program effectively identifies all areas of potential risk;
- b) adequate policies and procedures have been designed and implemented to manage identified risks;
- c) a regular program of audit is undertaken to test the adequacy of and compliance with prescribed policies; and
- d) proper remedial action is undertaken to redress areas of weakness.

The Committee's risk and compliance responsibilities will consist of the following:

- a) evaluating the adequacy and effectiveness of a risk management framework established by management, which includes iSelect's policies and procedures effectively to identify, treat, monitor, report and manage key enterprise risks, including occupational health and safety risks;
- b) evaluating the adequacy and effectiveness of iSelect's internal compliance and control systems, including the accounting and financial controls;
- c) reviewing management's and the external and, if any, the internal auditor's reports on the effectiveness of systems for internal control, financial reporting and risk management;
- d) reviewing and making recommendations on the strategic direction, objectives and effectiveness of iSelect's financial and operational risk management policies;

- e) overseeing the establishment and maintenance of processes to ensure that there is:
 - i. an adequate system of internal control, management of business risks and safeguard of assets; and
 - ii. a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- f) reviewing iSelect's legal and any ethical compliance programs;
- g) evaluating iSelect's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
- h) reviewing iSelect's main corporate governance practices for completeness and accuracy; and
- i) evaluating the structure and adequacy of the group's insurance coverage on an annual basis.

The Committee may periodically meet separately with management, the internal auditor (if any), and the external auditor to discuss:

- a) the adequacy and effectiveness of the accounting and financial controls, including iSelect's policies and procedures to assess, monitor and manage business risk and legal, regulatory and ethical compliance programs; and
- b) issues and concerns warranting Committee attention, including but not limited to their assessment of the effectiveness of internal controls and the process for improvement.

The Committee shall receive regular reports from the external auditor on the critically important accounting policies and practices of iSelect, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

The Committee shall gain an understanding of the current areas of greatest compliance risk (financial and non-financial) and review these areas on a regular basis.

The Committee shall review 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 reviews and reports.

The Committee shall take steps to ensure that it is satisfied that all regulatory compliance matters have been considered in the preparation of iSelect's official documents.

The Committee shall review the findings of any examinations by regulatory agencies and oversee all liaison activities with regulators.

2.8. External Audit

The Committee shall be directly responsible for making recommendations to the Board on the appointment, reappointment or replacement (subject to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the external auditor.

The Committee will make its recommendation to the Board on the appointment of the external auditor based on it being satisfied that the auditor will provide sound and professional audit services in accordance with the above review.

The external audit firm partner in charge of the iSelect audit, and any individuals playing a significant role in the audit, must be rotated every five years in accordance with the Corporations Act.

The Committee shall discuss with the external auditors the overall scope of the external audit, pre-approve all audit and non-audit services provided by the external auditor and shall not engage the external auditor to perform any non-audit or assurance services that may impair or appear to impair the external auditor's judgment or independence in respect of iSelect. The Committee may delegate pre-approval authority to a member of the Committee.

The Committee shall advise the Board on statements to be made in the Directors' Report regarding non-audit services in accordance with the Corporations Act.

The Committee shall, as frequently as it sees as necessary, obtain and review a report by the external auditor describing:

- a) the overall scope of the external audit, including risk areas identified and any additional agreed procedures. In addition, the Committee shall approve the external auditor's compensation;
- b) the audit firm's internal quality control procedures;
- c) any material issues raised by the most recent internal quality control review, or peer review, of the audit firm; or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- d) all relationships between the external auditor and iSelect (to assess the auditor's independence). For the half year and full year accounts, the external auditor is required to confirm in writing its independence as auditor within the meaning of relevant legislation in Australia and the standards set by the relevant accounting bodies.

The Committee requires that all services provided by the external auditor, including the non-audit services that may be provided, must be in accordance with the following principles:

- a) the external auditor should not have a mutual or conflicting interest with iSelect;
- b) the external auditor should not audit its own work;
- c) the external auditor should not function as part of management or as an employee; and

- d) the external auditor should not act as an advocate of iSelect.

Annually, the Committee will request from the external auditor a report which sets out all relationships that may affect its independence, including the provision of non-audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.

The Committee will:

- a) review the performance, independence and objectivity of the external auditors;
- b) review the procedures for selection and appointment of the external auditors and rotation of external audit engagement partner;
- c) develop and oversee the implementation of iSelect's policy on the engagement of the external auditor to supply non-audit services and ensure compliance with that policy.

The Committee will advise the Board as to whether it is satisfied that the provision of non-audit services by the external auditor is compatible with the independence principles outlined, and provide an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the Corporations Act to be included in iSelect's annual report.

2.9. Internal Audit and Communication

In the event that iSelect establishes an internal audit team, the following provisions will apply:

- a) The Committee may recommend to the Board the appointment and dismissal of the internal audit manager. The internal audit manager shall be independent of the external auditor.
- b) The Committee shall review the scope of the internal audit plan with the internal audit manager, including the work program and quality control procedures.
- c) The Committee shall review the performance and objectivity of the internal audit function.
- d) The Committee shall establish procedures for dealing with complaints received by iSelect (including receipt, retention, and effective treatment of these complaints) regarding accounting, internal accounting controls, or auditing matters, and submissions by employees of iSelect, including anonymous submissions, of concerns regarding questionable accounting or auditing matters. All such employee submissions shall be treated as confidential. The Committee shall receive corporate legal reports of evidence of any material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duty.

2.10. Committee Performance

The Board may, at least once in each year, review the membership and Charter of the Committee to determine their respective adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

2.11 Review

The Board may, at least once in each year, review the membership and charter of the Committee to determine their adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, function and otherwise.

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