

# Intega Group Limited

## Audit, Risk & Compliance Committee

### Charter

APPROVED BY THE AUDIT, RISK & COMPLIANCE COMMITTEE 25 JUNE 2021

#### ROLES AND OBJECTIVES

The objective of the Committee is to assist the Board to discharge its corporate governance responsibilities to exercise due care, diligence and skill in relation to Intega Group Limited (Intega or Company):

- achievement of corporate goals within an appropriate framework of internal control and risk management;
- reporting of financial information to users of financial reports;
- application of accounting policies;
- maintenance of the independence of the company's auditors;
- fees payable to the auditor for audit and non-audit work performed;
- financial management;
- internal control system;
- risk management and analysis;
- business policies and practices;
- compliance with the Company's constitutional documentation and material contracts;
- compliance with statutory occupational health and safety laws and regulations;
- compliance with applicable laws and regulations; and
- monitoring and controlling of business and other risk.

The Committee does not replace or replicate established management responsibilities and delegations or the reporting lines and responsibilities of the external audit function.

Accordingly, the role of the Committee is to:

- serve as an independent and objective party to review the financial information presented by management to the Board and the general public;
- ensure implementation and management of a risk management system;
- ensure identification, assessment and management of Intega's significant risks;
- serve as an independent and objective party to review the efficiency and effectiveness of the information presented by management to the Board concerning risk management, quality management, and occupational health and safety;
- oversee and appraise the quality of audits conducted by the Company's external auditor;
- advise the Board of possible conflicts of interest and/or loss of independence by the Company's external auditor in respect of work proposed to be undertaken by the auditor;
- maintain, by scheduling regular meetings, open lines of communication among the Board and the external auditor to exchange views and information, as well as confirm their respective authority and responsibilities; and
- determine the efficiency and effectiveness of administrative operating and accounting controls used by the company.

#### MEMBERSHIP

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

- AT LEAST THREE MEMBERS;
- NON-EXECUTIVE DIRECTORS; AND
- A MAJORITY OF DIRECTORS WHO ARE INDEPENDENT.

The Board will appoint the chair of the Committee (Committee Chair). The Committee Chair should be an appropriately qualified independent non-executive director who does not chair the Board.

All Committee members should have a reasonable understanding of Intega's business and the industry in which it participates. Committee members will be appointed for a fixed period of no more than three years, with Committee members generally being eligible for re-appointment for so long as the Committee will meet the relevant criteria set out above. The appointment and removal of Committee members is the responsibility of the Board.

A Committee member may resign as a member of the Committee 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.

The quorum for meetings of the Committee shall be the majority of members. The Company Secretary will act as Secretary to the Committee.

## DUTIES AND RESPONSIBILITIES

The Committee shall consider any matters relating to the financial affairs of the Company and to the internal and external audit that it determines to be desirable. In addition, the Committee shall examine any other matters referred to it by the Board.

The main duties and responsibilities of the Committee are as follows.

## FINANCIAL INTEGRITY

The Committee will:

Assess and enhance the adequacy and effectiveness of Intega's systems of internal control surrounding key financial and operational processes by:

- considering the reports and recommendations of any internal and external audit;
- considering the information provided by management;
- monitoring the implementation of agreed recommendations in respect of internal controls; and
- considering any other information requested by, or provided to, the Committee.

Review the draft annual and half-yearly financial statements of the Company prior to approval by the Board, focusing in particular on:

- whether they are complete and consistent with information known to Committee members about Intega;
- ensuring that all disclosures by Intega are adequate;
- whether the financial statements reflect appropriate accounting principles and significant changes in accounting policies and practices;
- major judgment areas that need to be resolved (e.g. valuation of fixed assets, impaired loans, nature of provisions and reserves etc);
- complex and/or unusual transactions;
- proposed departures from accounting standards or other reporting requirements; and
- significant audit adjustments and audit qualifications to accounts.

## STATUTORY/COMPLIANCE

The Committee will:

- Ensure compliance with statutory requirements for financial reporting;
- Review the adequacy and effectiveness of Intega's system for monitoring compliance with laws, regulations and Intega's own policies and procedures in relation to key financial and operational controls and processes;
- Consider the effects on the Company of any new or proposed accounting practices, principles, developments, disclosure requirements and legislative or regulatory pronouncements;
- Obtain regular updates from management and Intega's senior legal counsel regarding such compliance matters; and
- Keep itself apprised of the latest developments, policies and trends in relation to financial matters, rules and regulations, insofar as they may affect Intega or the markets in which Intega does business.

## EVALUATION OF POLICIES AND CONTROLS

The Committee will:

- evaluate the adequacy and integrity of the accounting control system by reviewing written reports from the external auditors and

- monitoring Management's responses and actions to correct any noted deficiencies; and
- evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management and the external auditor
- evaluate the adequacy and integrity of any internal audit function

## AUDIT EFFECTIVENESS

The Committee will:

- recommend to the Board the appointment of external auditors and the payment of annual fees;
- communicate the Committee's expectations to the external auditor;
- review the audit plans of the external auditor;
- evaluate the overall effectiveness of the external auditor through regular meetings with them;
- ensure that no management restrictions are being placed on the external auditor.

## INDEPENDENCE OF EXTERNAL AUDITORS

The Company must comply with the requirements of the Corporations Act 2001 (Cth) (Corporations Act) in respect of the independence of its external auditors, who are appointed as the result of a competitive tender process.

To maintain the independence of its external audit function, the company requires that its external auditors comply with the requirements of Accounting Professional and Ethical Standards Board APES 110 - Code of Ethics for Professional Accountants.

A formal declaration of independence will be obtained from the external auditor on a bi-annual basis. This declaration should confirm that the auditor is independent, both in appearance and in fact, and has no conflict of interest situation, and that there is nothing to the auditor's knowledge that could compromise independence.

In accordance with the Corporations Act, the external auditor is required to rotate the lead partner and the review partner so that neither role is performed by the same partner for more than five years, or more than five years out of seven successive years.

The Company must not engage its external auditors for any project that would put the firm in the position of auditing its own work or that would otherwise be inappropriate for a firm expected to exercise fully objective and impartial judgment.

It follows then that the following types of services by the Company's external auditors are prohibited:

- Bookkeeping and related services;
- Appraisal or valuation services that involves the valuation of matters material to the financial reports and the valuation involves a significant degree of subjectivity;
- Management services of a decision-making, supervisory or prolonged (ongoing) monitoring nature;
- Broker-dealer services;
- Legal services that are dealing with issues that could have a material impact on the financial statements;
- Tax advice;
- M&A; and
- Any work that would compromise independence in performing their external audit obligations.

The Company's external auditors are not prohibited from evaluating and making recommendations about control in its audit role.

Any proposal to engage the Company's external auditors for non-audit services requires pre-approval by the Committee where the fees are expected to exceed \$10,000. An update of any non-audit services will be provided at each Committee meeting. A full analysis of the total fees paid to external auditors, including a breakdown of fees for non-audit activities will be provided in the Annual Report.

## COMPLIANCE WITH LEGAL AND REGULATORY OBLIGATIONS

The Committee will review all regular reports provided to the Committee by executive management covering areas of:

- Corporate Governance; and
- Regulatory Affairs.

## RISK MANAGEMENT

The Committee will oversee the effectiveness of Intega's financial controls and systems, oversee the risk management function (as detailed below) and evaluate the structure and adequacy of the group's insurance coverage periodically.

The risks faced by Intega may include regulatory and compliance risk, investment risk, legal risk, economic risk, environmental risk, social

risk, occupational health and safety risk, financial risk, reputation risk, operational and execution risk and strategic risk.

Responsibility for risk management is shared across the organisation.

The Board is responsible for overseeing the:

- establishment of and approving Intega's risk management framework (for both financial and non- financial risks) including its strategy, policies, procedures and systems; and
- disclosure of any material exposure that Intega has to environmental or social risks and how Intega intends to manage those risks.

Intega management is responsible for establishing Intega's risk management framework, including identifying major or potentially major risk areas and developing Intega's policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks.

The Board has delegated to the Committee responsibility for:

- identifying major or potentially major risk areas;
- reviewing and monitoring Intega's risk management framework to provide assurance that major business risks (including contemporary and emerging risks) are identified, consistently assessed and appropriately addressed. In addition, the Committee should undertake a review of Intega's risk management framework with management (at least once annually) to satisfy itself that Intega's risk management framework continues to be sound (including whether there have been any changes to material business risks and whether Intega is operating within the risk appetite set by the Board). The Committee should ensure that the Board discloses whether such a review has taken place in Intega's annual report;
- considering Intega's approach to occupational health and safety, economic, environmental and social risks, including the benchmarks Intega uses to measure performance on issues of sustainability and their achievements against those benchmarks;
- ensuring that risk considerations are incorporated into strategic and business planning;
- reviewing any material incident involving fraud or a break-down of the risk management framework and identifying "lessons learned";
- providing risk management updates to the Board and any supplementary information required to provide the Board with confidence that key risks are being appropriately managed;
- reviewing reports from management concerning compliance with key laws, regulations, licences and standards which Intega is required to satisfy to operate;
- overseeing tax compliance and tax risk management; and
- reviewing any significant findings of any examinations by regulatory agencies.

The Chief Executive Officer and Chief Financial Officer are to provide to the Board declarations in accordance with section 295A of the Corporations Act.

Each employee and contractor is expected to understand and manage the risks within their responsibility and boundaries of authority when making decisions and undertaking day to day activities.

Reporting is an important part of the risk management function. It is the responsibility of the Committee to report to the Board about Intega's adherence to policies and guidelines approved by the Board for the management of risks. This includes bringing to the Board's attention any instances where Intega either has or may need to operate outside the current risk appetite set by the Board or where disclosure to the market might be required.

The Chief Executive Officer and Chief Financial Officer are each responsible for reporting to the Committee on:

- any exposures or breaches of key policies, procedures or systems, or incidence of risks, where significant (including any material incidents reported under Intega's Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblower Policy);
- new and emerging sources of risks (including the risk controls and mitigation measures that has been or is being put in place by management to deal with those risks);
- any disclosure-related considerations; and
- proposed changes to Intega's risk management framework.

Risk issues will be identified, analysed and ranked in a consistent manner. Intega will deal with risks in the following way:

- identify the nature of the risk;
- determine the seriousness of such risk, and who the risk is to be reported to;
- develop a risk mitigation plan;
- implement the risk mitigation plan; and
- monitor and report progress of risk mitigation plan.

## OCCUPATIONAL HEALTH AND SAFETY

The Committee will oversee the planning, monitoring and reporting process of the Intega Health, Safety, Environment and Quality (HSEQ) Committee, evaluating the effectiveness of the committee, which:

- ensures Intega is meeting its legislative requirements and all relevant standards in providing and maintaining a safe and healthy workplace for our employees, contractors and visitors;
- monitors and assesses the adequacy of, and make recommendations on, Occupational Health and Safety policies in relation to Intega's significant risks in this area; and
- acts as a forum for discussion with the Intega HSEQ Committee of significant health and safety issues affecting Intega. This process forms part of the governance process that ensures Intega's health and safety function operations effectively and efficiently.

## OTHER

The Committee will:

- review the Company's Treasury Management activities;
- establish and periodically review a code of conduct and monitor the ethical behaviour of the Company and management to ensure compliance;
- review the external audits carried out on behalf of domestic and international regulatory authorities in respect to the delivery of Company's services;
- review the placement of the Company's insurance program and its alignment with the Company's risk profile;
- identify any special projects or investigations deemed necessary;
- review and confirm this Charter annually;
- review professional indemnity insurance claims;
- confirm minutes of Audit, Risk and Compliance Committee meetings; and
- review progress against actions arising from previous meetings.

## NO EXECUTIVE POWER

The Committee shall have no executive power with regard to its findings and recommendations.

## REPORTING REQUIREMENTS

The Chair of the Audit, Risk & Compliance Committee will report to the Board after each meeting. The report should cover the findings and recommendations of the Committee on all matters relevant to the Committee's role and responsibilities.

The Chair will:

- advise the Board in a timely manner of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon Intega;
- report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee; and
- as and when appropriate, seek direction and guidance from the Board on audit, risk management and compliance matters.

The minutes of all Committee meetings shall be circulated to members of the Board.

# Committee Meetings

## 1. FREQUENCY

The Committee will hold at least four (4) meetings per annum, or more as required, to fulfil its responsibilities. The Committee will also meet at the request of the Board, any other Director not a member of the Committee, the Chief Executive Officer, the Company Secretary or the Company's external auditor.

## 2. QUORUM

A majority of members must be present to provide a quorum. A member may be present at a meeting in person or by telephone.

## 3. AGENDA

14 days prior to each meeting, the agenda will be discussed with the Committee Chair and the papers will be distributed 7 days prior to the meeting.

In setting the agenda, there will be an emphasis on the most significant risks and threats to Intega, within the scope of the Committee's responsibilities, and the ongoing evaluation of what is done to mitigate such risks.

## 4. COLLECTIVE DECISIONS

Decisions of the Committee shall be regarded as its collective decision or advice unless there is a material dissension, in which case a minority view will be recorded in the minutes of the meeting and placed before the Board.

## 5. MINUTES

Minutes of meetings must be prepared and distributed to Committee members as soon as possible after the conclusion of the meeting and, subject to any agreed amendments, shall be signed in 'draft' format and presented at the subsequent Board meeting. These minutes will then be confirmed as an accurate record of the meeting at the next subsequent meeting of the Committee and signed in 'final' format.

## 6. OTHER ATTENDEES

The Committee Chair may request an Intega officer, internal auditor or other external party to attend a meeting of the Committee. Further, the chairperson may invite a representative of external audit to attend any meeting of the Committee and to present and comment on appropriate agenda items.

## 7. COMMUNICATION

The Committee is to establish procedures for dealing with complaints received by Intega (including receipt, retention, and effective treatment of these complaints) regarding accounting, internal accounting controls, or auditing matters, and submissions by employees of Intega, including anonymous submissions, of concerns regarding questionable accounting or auditing matters. All such employee submissions shall be treated as confidential. The Committee shall receive reports of evidence of any material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duty.

## 8. ETHICAL PRACTICES

Members of the Committee will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, independence and probity and not engage knowingly in acts or activities that have the potential to bring discredit to Intega.

Members also must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Members must not use Intega's information for any personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of Intega.

Further, members must not publicly comment on matters relative to activities of the Committee other than as authorised by Intega.

## 9. EVALUATION OF COMMITTEE ACTIVITIES

Annually, the Committee Chair shall facilitate the assessment of the performance of the Committee and take appropriate action in respect of areas where there is a perceived need for enhancement of its role, operational processes or membership and report to the Board on the committee review.

## 10. REVIEWS AND CHANGES TO THIS CHARTER

The Committee will review this Charter annually or as often as it considers necessary. The Committee will make recommendations to the Board on changes to Intega's risk management framework or the risk appetite set by the Board.

The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.

## 11. AUTHORITY AND ACCESS TO PERSONNEL AND INFORMATION

The Committee shall have unlimited access to both internal and external auditors and advisors and to senior management of the Company. The Committee shall also have the ability to consult independent experts where required to fulfil its responsibilities.