

# Board Audit Risk & Compliance Committee Terms of Reference

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<b>Approved By:</b>	Board		

The Board of Directors (**Board**) of Ignite Limited (the “Company”) has constituted the Board Audit Risk and Compliance Committee (**BARCC**) which operates in accordance with these terms of reference.

The BARCC ensures appropriate internal and external audit processes are implemented and executed.

## 1. Objectives

- 1.1. The objectives of the BARCC are to assist the Board to:
  - 1.1.1. Safeguard the integrity in financial reporting;
  - 1.1.2. Make timely and balanced disclosures; and
  - 1.1.3. Recognise and manage risk

## 2. Operation

- 2.1. The role of the BARCC is not an executive role.
- 2.2. The BARCC may seek any information or obtain any independent professional advice it considers necessary to fulfil its responsibilities, with any associated costs to be borne by the Company.
- 2.3. The BARCC is entitled to have access to and meet with the auditors, employees of the Company and any external advisors without executives or management of the Company being present.
- 2.4. All employees shall have the right (and be made aware of the right) to raise matters confidentially with any member of the Committee and shall be protected by the Board against any unfair treatment as a consequence of such raising of legitimate matters.

## 3. Responsibilities of the BARCC

### 3.1. External Financial Reporting

- 3.1.1. Review and recommend to the Board the Company’s accounting policies and principles and any changes to them.
- 3.1.2. Review and recommend significant estimates and judgements in the financial reports.
- 3.1.3. Monitor and review compliance with related party disclosures required by Accounting Standards and the Corporations Act.
- 3.1.4. Assess information from the auditors that may affect the quality of financial reports.
- 3.1.5. Review half-yearly and annual financial reports with management, advisers and auditors as appropriate.
- 3.1.6. Recommend for adoption by the Board interim and final financial reports and the annual report.

3.1.7. Review the integrity of the Company's written policies and procedures designed to ensure continuous disclosure and accurate financial reporting.

### **3.2. Related Party Transactions**

3.2.1. Review, monitor and recommend for approval by the Board (as appropriate) all related party transactions.

### **3.3. Internal Control and Risk Management**

3.3.1. Review and recommend to the Board for adoption policies and procedures on risk oversight and management so as to establish an effective and efficient system for:

- a) identifying, assessing, monitoring and managing risk;
- b) ensuring accountability at a senior management level for risk oversight and management; and
- c) ensuring appropriate disclosure.

3.3.2. With the assistance of the Risk Committee, review the Company's risk profile ensuring a regular update including an assessment and prioritisation of risks.

3.3.3. Overview the effectiveness of the Company's risk management and internal compliance and control systems.

3.3.4. Monitor and review processes and procedures including the policies and function of the Risk Committee, for ensuring compliance with laws, regulations and other requirements relating to the external reporting by the Company of financial and non-financial information.

### **3.4. External Audit**

3.4.1. Review and recommend to the Board acceptance of the terms of engagement with the external auditor at the beginning of each year.

3.4.2. Make recommendations to the Board on the remuneration of the external auditor.

3.4.3. Review and recommend to the Board for adoption policies and procedures in relation to the appointment or removal of an external auditor.

3.4.4. Ensure appropriate policies exist for the provision of all non-audit services by the external auditor or a related party of the external auditor and regularly review the application of those policies.

3.4.5. Monitor and evaluate on a regular basis the performance of the external auditor.

3.4.6. Monitor and evaluate on a regular basis the independence of the external auditor.

### **3.5. Internal Audit**

3.5.1. Review and approve the engagement and dismissal by management of any chief internal audit executive.

3.5.2. Monitor and evaluate on a regular basis the independence of the internal auditor.

3.5.3. Oversee the scope of the internal audit, including a review of the internal auditor's mission, charter, qualifications and resources.

3.5.4. Review and note the annual internal audit plan and work program. Monitor the progress of the internal audit work program and consider the implications of the internal audit findings for the control environment. Monitor and report to the Board on management's responsiveness to internal audit findings and recommendations.

3.5.5. Review and note the process the entity has in place for monitoring and assessing the effectiveness of the internal auditor.

3.5.6. Oversee the liaison of the internal auditor with the external auditor.

3.5.7. Provide the opportunity for BARCC members to meet with the internal auditor without management personnel being present at least once a year.

3.5.8. Ensure that the internal auditor reports directly to the BARCC.

### 3.6. Insurance

3.6.1. Recommend to the Board for adoption the scope, cover and cost of the insurance program for the Company and its subsidiaries.

## 4. Composition

4.1. The BARCC will comprise:

- a) at least three directors;
- b) a majority of non-executive directors;
- c) a majority of independent directors; and
- d) an independent chairperson, who is not chairperson of the Board.

4.2. The BARCC will be of an appropriate size, independence and technical expertise to effectively discharge its mandate. Each member of the BARCC will be able to read and understand financial statements and at least one member will be a qualified accountant or other financial professional with experience of financial and accounting matters.

4.3. Appointments, rotations and resignations within the BARCC shall be decided by the Board having regard to the provisions of the ASX Listing Rules and the Corporations Act 2001 (Cth).

4.4. Committee members may appoint an alternate, who may not be a Director, with the approval of the Board.

## 5. Meetings

5.1. The BARCC will appoint a chairperson and the Company Secretary will act as secretary.

5.2. The BARCC may invite such other persons to attend BARCC meetings as it regards appropriate.

5.3. The BARCC will hold meetings every six months or otherwise, as it may consider necessary, and in any event not less than twice each year.

5.4. A quorum will comprise two BARCC members.

5.5. The BARCC will keep minutes of its meetings.

5.6. The BARCC may pass or approve resolutions of the BARCC by circular resolution by adopting the procedures (so far as they are appropriate) set out in section 248A of the Corporations Act 2001 (Cth).

5.7. The contemporaneous linking together by telephone or other electronic means of a sufficient number of members to constitute a quorum constitutes a meeting of the Committee.