



Infigen Energy Limited

Audit, Risk & Compliance Committee Charter

Approved: 22 February 2006
Amended: 13 December 2006
Amended: 18 June 2009
Amended: 4 August 2011
Amended: 20 June 2013
Amended: 17 November 2016
Amended: 21 November 2017
Amended: 20 February 2019
Amended: 4 May 2020

Infigen Energy Limited

Audit, Risk & Compliance Committee Charter

1. Objectives

The Audit, Risk & Compliance Committee (**Committee**) has been established by the Board of Infigen Energy Limited (**IEL**) to assist the Board in fulfilling its responsibilities relating to IEL's financial statements and financial reporting, the performance and independence of internal and external audit, and IEL's risk management and compliance frameworks.

The Committee aims to support and advise the Board in fulfilling IEL's responsibilities by:

- (a) assisting the Board in fulfilling its oversight responsibilities for the financial reporting process;
 - (b) implementing and supervising IEL's risk management framework; and
 - (c) monitoring compliance with laws and regulations applicable to IEL.
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2. Authority

The Board authorises the Audit, Risk & Compliance Committee to perform the activities identified in this Charter, including to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- (a) retain outside counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
 - (b) seek any information or explanations it requires from Infigen group employees — all of whom are directed to cooperate with the Committee's requests — or external parties; and
 - (c) meet with Infigen group officers, internal or external auditors (with or without management present) or outside counsel as necessary.
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3. Specific responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

3.1 Financial Audit & Reporting

(a) Financial Statements

- Review the financial statements of IEL for the half year and full year, and consider whether they are complete, consistent with information known to Committee Members, and reflect appropriate accounting policies and principles.

- Receive and consider in connection with the half year and full year financial statements the Chief Executive Officer's and Chief Financial Officer's letter of representation to the Board in respect of financial reporting, including:
 - a declaration in respect of those matters described in section 295A of the Corporations Act;
 - the adequacy and effectiveness of IEL's risk management, internal compliance and control systems; and
 - the process and evidence the Chief Executive Officer and Chief Financial Officer adopted to satisfy themselves on these matters.
- Review the financial sections of IEL's annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external financial auditor the results of the financial audit of IEL.
- Consider judgement areas, for example those involving valuation of assets and liabilities, litigation costs, commitments and contingencies and complex and/or unusual transactions.

(b) Internal Control

- Receive and review reports covering the effectiveness of IEL's internal controls regarding all matters affecting IEL's financial performance and financial reporting, including information technology security and control.
- Review the scope of internal and external auditors' review of internal controls, including reviewing reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate.

(c) Internal Audit

- Review with management and the internal auditor, the charter, plans and activities of the internal audit function.
- Meet with the internal auditor to review reports and monitor management responses.
- Meet separately with the internal auditor, when necessary, to discuss any matters that the Committee or internal auditor believe should be discussed privately.
- Review the effectiveness of the internal audit function.
- Ensure there are no unjustified restrictions or limitations on the internal auditor, and review and provide recommendations to the Board in relation to the appointment, replacement or dismissal of the internal auditor.

(d) External Financial Audit

- Recommend to the Board the appointment and removal of the external financial auditor of IEL and review the terms of engagement.
- Review the external financial auditor's proposed audit scope and approach.
- Meet with the external financial auditor to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or external financial auditor believe should be discussed privately without the presence of management.

- Establish policies as appropriate in regards to independence of the external financial auditor.
- Review and confirm the independence of the external financial auditor by obtaining statements from such auditors on the relationship between the external financial auditor and IEL.
- Review the nature and extent of any proposed non-audit services to be provided by the external financial auditor and advise the Board as to the impact of such services on the independence of the audit relationship.
- Review the performance of the external financial auditor, and consider the re-appointment and proposed fees of the external financial auditor and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external financial auditor will be put to the Board, and shareholders of IEL, if required.

3.2 Risk Management and Monitoring

- Consider the overall risk management framework for IEL and review its effectiveness in meeting sound corporate governance principles, and keep the Board informed of all significant business risks.
- Review with management the system for identifying, managing, and monitoring the key risks.
- Obtain reports from management on the status of any key risk exposures or incidents.
- Review, at least every two years, the significant financial and operating policies, including:
 - Delegated Authorities
 - Energy Risk Management Policy
 - Treasury Policy
 - Tax Risk Management Policy.
- Receive regular updates regarding taxation issues affecting Infigen.
- Receive regular reports on insurances held by Infigen.
- Receive reports, at least annually, in relation to:
 - Business Continuity Planning, including contingency plans for processing financial information in the event of a system breakdown; and
 - Data integrity and security of Infigen's systems.

3.3 Compliance

- Monitor the performance of IEL in relation to its obligations under any licences held by IEL, and report its findings to the Board.
- Monitor the performance of Australian Financial Services Licence (AFSL) holders within the Infigen group in relation to their obligations under those licences.

- Report to the Board:
 - any breach of the Corporations Act involving IEL; and
 - any breach of IEL's Constitution,
 of which the Committee becomes aware or that it suspects.
- Obtain regular updates from management regarding compliance matters.
- Review the effectiveness of the system for monitoring compliance with laws and regulations affecting IEL and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory authorities.
- Review the process for communicating the Code of Conduct adopted by the Board to the Infigen group's personnel, and for monitoring compliance therewith.

3.4 Reporting and Other Responsibilities

(a) Reporting Responsibilities

- Regularly report to the Board about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external financial auditor and the Board. For the purpose of supporting the independence of their function, the external financial auditor and the internal auditor have direct line of reporting access to the Committee.
- Review any other reports or IEL issues that relate to Committee responsibilities.

(b) Other Responsibilities

- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Periodically evaluate the Committee's and individual Committee Members' performance.

4. Composition

- (a) In accordance with the ASX Corporate Governance Principles, the Committee will comprise a minimum of three Members who are all non-executive Directors.
- (b) The Committee should have:
 - (i) members who are all financially literate with the ability to read and understand financial statements;
 - (ii) at least one member that is a qualified accountant or other finance professional with experience in financial and accounting matters; and
 - (iii) some members with an understanding of the industry in which IEL operates.
- (c) The Board may appoint or replace Members to or from the Committee by resolution. Members of the Committee may withdraw from membership by written notice to the Chairman of the Board.

- (d) The Board will nominate the Chairman of the Committee from time to time. The Chairman of the Committee will be an independent Director and, unless exceptional circumstances arise, the Chairman of the Committee will not be the Chairman of the Board. Where exceptional circumstances do arise, the Chairman of the Board may temporarily act as Chairman of the Committee following liaison with ASX.
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5. Procedural requirements

- (a) The Committee will meet as required but not less than four times a year.
 - (b) A quorum of the Committee will comprise two Members, although all Members are expected to attend each meeting (either in person or by conference call or similar means) and participate.
 - (c) If the Chairman is absent from a meeting and no acting Chairman has been appointed, the Members present may choose one of them to act as Chairman for that meeting.
 - (d) Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
 - (e) Each Member of the Committee will have one vote.
 - (f) The Chairman will not have a casting vote. If there is a tied vote, the motion will lapse.
 - (g) The Committee may seek such independent legal, accounting or other professional advice or assistance from any external parties as it may consider necessary or desirable to fulfill its objectives, at the reasonable expense of IEL.
 - (h) Following each meeting the Chairman will report to the Board on any matter that should be brought to the Board's attention, and on any recommendation of the Committee that requires Board approval or action.
 - (i) Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.
 - (j) The Company Secretary of IEL will provide such assistance as may be required by the Chairman in relation to preparation of the agenda, minutes or papers for the Committee.
 - (k) As necessary or desirable, the Chairman may invite members of management, including the head of internal audit, and representatives of the external financial auditor or other external advisors, to be present at meetings of the Committee.
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6. Periodic review

The Committee Members will periodically review the Committee's operations and performance in conjunction with the Board's periodic performance evaluation.

7. Revisions of this Charter

This Charter of the Committee must be approved by the Board of IEL.

The Committee is responsible for review of the effectiveness of this Charter and the operations of the Committee, and for making recommendations to the Board of any proposed amendments to the Charter.