
INTEGRATED GREEN ENERGY SOLUTIONS LIMITED

AUDIT & RISK COMMITTEE CHARTER

1. ROLE

The role of the Audit & Risk Committee is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit Committee's function, composition, mode of operation, authority and responsibilities.

2. COMPOSITION

- (a) The Committee must comprise at least three members.
- (b) The Committee must consist of a majority of non-executive Directors.
- (c) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (d) The Chairman of the Committee must not be the Chairman of the Board of Directors.
- (e) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.
- (f) The Committee has the power to appoint any qualified person who it deems necessary to assist with the Audit Committee carrying out its function.

3. PURPOSE

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and Company policies;
- (c) the effectiveness and adequacy of the Company's risk management and internal control processes;
- (d) the management and safeguarding of the Company's assets;
- (e) the performance of the Company's external auditors and their appointment and removal;
- (f) the independence of the external auditor and the rotation of the lead engagement partner; and
- (g) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

4.1 Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Review the impact of any proposed changes in accounting policies on the financial statements.
- (f) Review the quarterly, half yearly and annual financial statements as to whether they provide a true and fair view of the financial position and performance of the entity.
- (g) Ensure that:
 - (i) the Managing Director or Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) are able to make the declarations in relation to the Company's financial reports required by s 295A of the *Corporations Act 2001* (Cth) and the *ASX Corporate Governance Principles and Recommendations* (3rd edition); and
 - (ii) these declarations are made and given to the Board by the time required.

4.2 Relationship with External Auditors

- (a) Establish and review the criteria for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Recommend to the Board to appoint and replace the external auditor and approve the terms on which the external auditor is engaged.
- (c) Review performance, succession plans and rotation of lead engagement partner.
- (d) Approve the external audit plan and fees proposed for audit work to be performed.
- (e) Discuss any significant findings or recommendations of the external auditor and management's response to them.
- (f) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.

- (g) Meet with the external auditors at least once on a half yearly basis without management being present and at any other time the Committee considers appropriate.
- (h) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (i) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (j) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (k) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.

4.3 Internal Audit Function

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.
- (e) Review the Internal Control Reports on a half yearly basis.

4.4 Risk Management

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

4.5 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistle-blower protection.
- (c) Monitor related party transactions.

5. MEETINGS

- (a) The Committee will meet at least each financial half and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.

- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next Board meeting.
- (g) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

6. SECRETARY

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

7. AUTHORITY AND RESOURCES

The Company is to provide the Audit & Risk Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Audit & Risk Committee.

The Audit & Risk Committee:

- (a) will have the power to conduct or authorise investigations into any matters within the Audit & Risk Committee's scope of responsibilities.
- (b) may seek any information or advice it considers necessary to fulfill its responsibilities.
- (c) may have access to management and external auditors (without management being present) to seek explanations and information.
- (d) will have the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other external advisers relevant to performing its duties under this Charter.

8. REVIEW OF CHARTER

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.

- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

9. REPORT TO THE BOARD

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.