

Audit Committee Charter & Terms of Reference

The Audit Committee of **IPAK** is responsible for assisting the Board of Directors in overseeing financial reporting, internal controls, audit functions, and regulatory compliance. The Committee ensures transparency, accountability, and the integrity of financial management in line with corporate governance standards.

1. Authority & Responsibilities

- The Audit Committee determines the internal audit scope and approves the Annual Audit & Consulting Plan.
- It may investigate any matter as authorized by the Board and seek information from employees to fulfill its responsibilities.
- The ultimate responsibility for financial approvals and control oversight remains with the Board, while the Committee provides recommendations for improvements.

2. Composition & Meetings

- The Committee shall have at least three members, including non-executive directors and at least one independent director along with the one member shall be financially literate as per the CCG regulations.
- The Board appoints an independent director as the Chairman of the Committee, who shall not be the Board Chairman.
- The Committee meets at least once per quarter, with additional meetings as needed. Members may attend in person or via video conference.
- Meeting notices, agendas, and minutes are prepared and circulated in advance by Secretary of Board Audit Committee.

3. Reporting & Internal Audit Oversight

- The Head of Internal Audit reports functionally to the Audit Committee and administratively to the CEO.
- The Head of Internal Audit serves as the Secretary of the Committee.

4. Key Responsibilities

- **Financial Oversight:** Reviews annual and interim financial statements before Board approval, ensuring compliance with accounting standards, regulatory requirements, and corporate governance codes.
- **Risk & Compliance:** Evaluates the Company's risk management framework and internal control systems.
- **Audit Management:** Ensures smooth coordination between internal and external auditors and reviews external audit reports, management letters, and significant audit findings.

- **Fraud & Misconduct Investigations:** Reviews internal investigations related to fraud, corruption, and misconduct, recommending appropriate actions.
- **Reporting Mechanism:** Establishes a confidential mechanism for employees to report financial or ethical concerns.
- **Regulatory Compliance:** Monitors compliance with legal and regulatory requirements and reports significant violations to the Board.
- **Appointment of External Auditors:** Recommends the selection, removal, and fee structure of external auditors, subject to Board approval.