

# Audit Committee Charter

## 1. Objectives

The role of the Audit Committee is to assist the Board to fulfil its responsibility to the shareholders and investment community by ensuring that the Company's accounting and reporting practices provide information of the highest quality and integrity.

In particular, the Audit Committee will report to the Board and provide appropriate advice and recommendations in order to facilitate decision-making by the Board, in relation to the following areas:

- Ensure the quality and accuracy of published financial reports so they present a true and fair view of the Company's financial position.
- Ensure the quality and accuracy of published financial reports so they present a true and fair view of the financial position of the Company's Managed Investment Schemes and superannuation Fund
- Ensure the Company adopts, maintains and applies appropriate accounting policies and procedures.
- Ensure the Company maintains effective internal control and risk management systems.
- Provide a formal forum for communication between the Board and senior management regarding financial and audit related issues.
- Assess the external auditor's independence by considering the relationships and services provided by the external auditors and others that may lead to an actual or perceived lack of independence.
- Oversee the external auditor rotation process.
- Address issues arising from the external audit process.
- Direct the internal audit function ensuring maximum value to the Company.
- The establishment and maintenance of whistleblowing policies and procedures that enable employees of APRA regulated institutions to confidentially submit information on:
  - accounting
  - internal control
  - compliance
  - audit
  - other mattersabout which the employee may have concerns

- The establishment of processes for:
  - communicating these whistleblowing policies and procedures to employees
  - dealing with matters raised by those employees

The Board has not required the Audit Committee to oversee the following areas:-

- Board and Management performance and compensation, which is overseen by the Human Resources and the Remuneration Committee.
- Compliance with other laws and regulation not specifically dealt with in this Charter, that are overseen by the Business Risk and Compliance Committee.
- Insurance and risk, which is overseen by the Business Risk & Compliance Committee.
- Managed Investment Schemes Investment and Lending which are overseen by the Investment and Mortgage Lending Committee
- Corporate Governance, which is overseen by the Nomination Committee and the Board.

## 2. Membership

- Membership of the Committee shall comprise a minimum of three non-executive Directors appointed by the Board. The Chairman of the Committee shall be appointed by the Board. Membership shall be reviewed annually by the Board.
- Members will be financially literate, or become financially literate within a reasonable period of time after appointment to the Committee. At least one, and preferably two, member(s) to have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background.
- The Board Chairman is precluded from membership of the Committee.

### 3. Resources

- The Committee shall have the authority to seek any information it may require from any officer of employee of the Company or its subsidiaries.
- The Committee shall have unlimited access to both the internal and external auditors and to senior management of the Company.
- The Committee may, with the consent of the Chairman of the Board, consult experts at the expense of the Company, where the Committee considers it necessary.
- An officer of the Company shall be appointed Secretary to the Committee and shall be responsible for, inter alia, keeping minutes of meetings and drawing up the agenda, in conjunction with the Chairman.

### 4. Meetings

- The Committee shall meet at least four times a year. Two members shall comprise a quorum.
- The Managing Director may be invited to attend any meeting of the Committee.
- The external auditors shall be given notice of meetings and shall have the right to attend.
- The Committee may from time to time give notice to and invite internal auditors to attend.
- Other Directors may attend if they wish.

### 5. Duties and Responsibilities

- The duties and responsibilities of the Committee are:-

#### 5.1 Financial Accounting Compliance

- Evaluate the adequacy and effectiveness of the Company's accounting policies, through active communication with management, internal and external auditors.
- Evaluate the adequacy of the Company's management information and accounting control system by reviewing written reports from the internal and external auditors and monitor management's responses and actions to correct any noted deficiencies.
- Evaluate and monitor the Company's exposure to fraud.
- Require reports from management, internal and/or

external audit on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact on the Company's financial reporting process.

- Identify and direct any special projects or investigations deemed necessary.

#### 5.2 External Reporting

- Review correspondence from regulators and others regarding the Company's and Managed Investment Schemes' financial reporting or related matters and monitor management's response to them.
- Ensure that the Company complies with the relevant laws including tax laws, Corporations Act and with the requirements of ASIC, the ASX and APRA. (It is noted that the Business Risk and Compliance" Committee will have oversight of compliance with other laws and there may be some overlap.)
- Review and approve all significant accounting policy changes.
- Review significant transactions outside the Company and Schemes' normal business.
- Review the half-year and annual financial statements and reports with the Managing Director, the Chief Financial Officer and the external auditors and recommend acceptance to the Board.
- Review the half-year and annual announcement of results to the ASX with the Managing Director, the Chief Financial Officer and the external auditors and recommend acceptance to the Board.
- Review major outstanding contingent liabilities including existing and potential legal actions against the Company or its Board. (It is noted that there may be some overlap with the activities of the Business Risk & Compliance Committee),
- Review procedures that could have a significant impact on financial results.

### 5.3 Internal Audit

- Review the resources and organisation of the internal audit function (and if relevant, recommend to the Board, the appointment of the internal auditors)
- Review the annual internal audit plan and proposed cost and reasons for variations from the plan. The plan will reflect coverage of key risk areas.
- Recommend adoption of the internal audit plan and cost to the Board.
- Receive reports from the internal auditors covering major matters arising out of the internal audit programme.
- Monitor the progress of the internal audit programme and, together with any additional investigative reviews, consider the implication on the control environment.
- Monitor the implementation of agreed action plans by management.
- Evaluate the overall effectiveness of the internal audit function.
- Determine that no management restrictions are being placed on the internal auditors.

### 5.4 External Audit

- Recommend to the Board the appointment of the external auditors.
- Review the annual external audit plan and proposed cost and reasons for variations from the plan. The plan will reflect coverage of key risk areas.
- Recommend adoption of the external audit plan and cost to the Board.
- Review reports prepared by external audit and have the opportunity to determine whether all matters raised are receiving appropriate attention.
- Evaluate the overall effectiveness of external audit.
- Review and assess the independence of the external auditors.
- Review and recommend to the Board in respect of external auditor rotation as required.

- 5.5** To perform such other duties as may be allocated by the Board

## 6. General

- The Chairman shall report significant issues arising from the Committee meetings and place minutes before the next available Board Meeting.
- Minutes of the Committee are to be signed by the Chairman of the Committee at the next Committee Meeting.
- The Committee shall review and reassess its Charter on an annual basis.
- The Committee shall evaluate its own performance on an annual basis.