

## Audit Committee Terms of Reference

### Objectives

To provide a link between the Board and its external auditors, and to review the integrity of financial information and the effectiveness of the Company's internal controls, including the Company's internal audit function.

### Membership

1. The Committee shall comprise a minimum of three Non-Executive Directors;
2. The Committee shall not include any Executive Directors;
3. The Committee shall appoint one of its members as Chairman of the Committee, provided that the Company Chairman shall not act as Chairman of the Committee;
4. A Quorum will be two Non-Executive Directors.

### Meetings

1. Meetings shall be held:
  - (a) at the planning stage of the half yearly review and full year audit;
  - (b) before the issue of the half yearly profit announcement;
  - (c) before the issue of the final profit announcement, and
  - (d) in connection with the Committee's oversight of the Company's internal audit function:
    - i. at the end of each quarter, or
    - ii. at such other times as determined by the Chairman at the request of either the CEO, the CFO or the internal auditor
2. The Chairman will call a meeting of the Audit Committee if so requested by any Committee Member, the Auditors, or the internal auditor.
3. The Committee shall ensure that the external auditor meets with the Committee, at least twice yearly without management in attendance.
4. The Committee shall ensure that arrangements are made for the external auditor to meet with the Board without management in attendance in connection with the consideration of half yearly and full year reporting and at other times as requested by the Board.

## Responsibilities

1. The Audit Committee shall consider any matters relating to the financial affairs of the company, including the internal audit function and the external audit of the company that it determines to be appropriate. In addition, the Audit Committee shall examine any other matters referred to it by the Board;
2. The duties of the Audit Committee are as follows:
  - (a) oversight of compliance with APRA statutory reporting requirements;
  - (b) oversight of compliance with statutory responsibilities relating to financial reporting and disclosure requirements;
  - (c) monitoring corporate risk assessment and the internal controls instituted; to review and make recommendations to the Board in relation to the appointment of the external auditor;
  - (d) liaison and review of planning with the external Auditors;
  - (e) review of information derived from the audit;
  - (f) review of interim, half-year and full-year financial information;
  - (g) assess the performance of financial management;
  - (h) review adequacy of insurance coverage;
  - (i) refer issues as and when necessary to the Board;
  - (j) to review and make recommendations to the Board in relation to the appointment of the external actuary;
  - (k) review of actuarial valuations;
  - (l) review and make recommendations to the Board in connection with the approval of the provision of non-audit services by the auditor and the actuary and their associates and to ensure the independence of the audit and actuarial functions; and
  - (m) oversight and responsibility for reviewing and monitoring the internal audit function of the Company in accordance with the Company's Internal Audit Policy and making such recommendations to the Board in this regard as deemed necessary by the Committee.
3. The Audit Committee shall have the authority to seek any information it requires from any officer or employee of the company or its subsidiary companies and such officers or employees shall be instructed by the Board of the company employing them to respond to such enquiries. The Audit Committee is authorised to take such independent professional advice as it considers necessary; and

4. The Audit Committee shall make recommendations to the Board but shall have no executive powers with regard to its findings and recommendations.

## Standing Orders

(These will operate in the absence of specific suspension by the Chairman of the Committee).

1. The Company Secretary in consultation with the Chief Executive Officer and the Committee Chairman, shall draw up an agenda which shall be circulated at least one week prior to each meeting to the Committee Members, Directors, and where appropriate to the external Auditors;
2. All Directors shall receive notice of, and are invited to attend all meetings of the Committee whether or not they are Members of the Committee;
3. The external Auditors should be given notice of all meetings and have the right to attend and speak at nominated times;
4. The Committee Chairman may require the attendance of any officer of the company at any part of any meeting; and
5. The Company Secretary shall ensure that proper minutes are kept of each meeting for approval by the Committee.
6. The Chairman of the Audit Committee shall report the proceedings findings and recommendations and provide the minutes of each meeting of the Committee to the Board of Directors at the next scheduled Board Meeting.
7. These Terms of Reference shall be reviewed annually by the Board of Directors
8. A copy of these Terms of Reference shall be posted on the Company's website and be available to shareholders on request.

## Audit Committee Reporting to the Board

The Audit Committee's reporting to the Board shall take into account and contain all matters relevant to the Committee's role and responsibilities including:

1. Assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs.
2. Assessment of the management processes supporting external reporting.
3. Procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners.
4. Recommendations for the appointment or removal of an auditor.

5. Assessment of the performance and independence of the external auditors and whether the audit committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services.
6. Assessment of the performance and objectivity of the internal audit function.
7. The results of its review of risk management and internal compliance control systems.
8. The review of information in connection with the Half-Year and Full-Year Reporting.
9. Assessment of the internal audit function in accordance with the Company's Internal Audit Policy.
10. Recommendations arising from the reporting to the Committee by the internal auditor.