

## **1. Organisation**

- 1.1 The Audit & Risk Committee (the **Committee**) is a committee of the board of Directors (the **Board**) of Investore Property Limited (**Investore**).
- 1.2 Membership on the Committee should comprise solely of non-executive Directors.
- 1.3 The minimum number of Committee members shall be three.
- 1.4 The chairperson of the Committee, appointed by the Board may not be the Chairperson of the Board.
- 1.5 At least two Directors on the Committee must be Independent of the Manager (as defined in the Board Charter).
- 1.6 All Committee members will be financially literate, and at least one member will have accounting or related financial management expertise.
- 1.7 The members of the Committee will be selected by the Board from time to time. The Board may appoint additional Directors to the Committee, or remove or replace members of the Committee by resolution.
- 1.8 Members of the Committee shall be identified in Investore's annual report.

## **2. Meetings**

- 2.1 Meetings of the Committee shall be held at least twice a year having regard to Investore's reporting and audit cycle. Additional meetings may be held at the discretion of the chairperson of the Committee or if requested by any Committee member or external audit.
- 2.2 A quorum shall be two members.
- 2.3 The Company Secretary of the Manager will act as secretary to the Committee, however the chairperson of the Committee may nominate who will act as secretary for a specific committee meeting.
- 2.4 The Committee shall have in attendance, such representatives from the Manager, external audit, insurance brokers and other advisors, as it may deem necessary to provide appropriate information or explanation.
- 2.5 Directors who are not members of the Committee have the right to attend meetings of the Committee.

- 2.6 The Manager and the external auditor have a standing invitation to attend any meeting of the Committee, but may be excluded from a Committee meeting at the request of the chairperson of the Committee as considered necessary. The Chief Financial Officer of the Manager is expected to attend all meetings of the Committee, except where excluded on the request of the chairperson of the Committee.

### **3. Statement of Policy**

- 3.1 The Committee shall provide assistance to the Directors in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of Investore, and the quality, integrity and transparency of financial reports of Investore. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Directors, the external auditors and the Manager.
- 3.2 The Committee is not responsible in any way for the implementation and operation of risk management including internal control and audit systems. This is the responsibility of the Manager. The role of the Committee, primarily through the internal audit function (if any), is to ensure that appropriate systems are in place and are operating effectively.

### **4. Responsibilities**

- 4.1 In carrying out its responsibilities, the Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure, for the benefit of the Directors and shareholders, that the corporate accounting and reporting practices of Investore are in accordance with all requirements and are of the highest quality.

### **5. Access and Authority**

- 5.1 The Committee shall have all necessary access to, and the authority of the Board to seek any information it requires from the Manager to fulfil its function, duties and responsibilities. The Manager will be directed to co-operate with any request made by the Committee.
- 5.2 The Committee will have unrestricted access to the internal auditors (if any) and external auditors.
- 5.3 The Committee is authorised by the Board, at the expense of Investore, to obtain independent professional advice and expertise if it considers this necessary.
- 5.4 The Committee provides oversight in four distinct areas:
- a) Governance;
  - b) Financial Reporting;
  - c) Audit Functions; and
  - d) Risk Management Functions.

### **6. Reporting**

- 6.1 Committee agenda and minutes will be distributed to all Board members regardless of whether they are members of the Committee.

## **7. Governance**

7.1 In carrying out its responsibilities, the Committee will:

- a) obtain the full Board's approval of this Charter and review and reassess this Charter as conditions dictate (at least annually);
- b) have its performance regularly reviewed by the Board (at least annually);
- c) inform itself and the Board fully on the responsibilities of external auditors and review and recommend to the Directors the external auditors to be selected based on professional merit to audit the financial statements of Investore and its subsidiaries;
- d) have a clear understanding with the external auditors that they are ultimately accountable to the Board and the Committee, as the shareholders' representatives, who have the ultimate authority in deciding to engage, evaluate and, if appropriate, terminate their services;
- e) provide sufficient opportunity for the external auditors to meet with the members of the Committee without the Manager present. Among the items to be discussed in these meetings are the external auditors' evaluation of the Manager's financial, accounting and auditing personnel in relation to Investore, and the cooperation that the external auditors received during the course of the audit;
- f) submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each committee meeting with, the Board; and
- g) investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate.

## **8. Financial Reporting**

8.1 In carrying out these responsibilities, the Committee will:

- a) review the financial statements contained in the annual report to shareholders with the Manager and the external auditors to determine that the external auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders;
- b) review with the Manager and the external auditors the results of their timely analysis of significant financial reporting issues and practices, including changes in, or adoptions of, accounting principles and disclosure practices, and discuss any other matters required to be communicated to the Committee by the auditors;
- c) review with the Manager and the external auditors their judgments about the quality, not just acceptability, of accounting principles and the clarity of the financial disclosure practices used or proposed to be used (including whether sufficient, meaningful information has been provided to enable investors and stakeholders to be well informed), and particularly, the degree of aggressiveness or conservatism of the organisation's accounting

principles and underlying estimates, and other significant decisions made in preparing the financial statements;

- d) review financial reports required under stock exchange listing rules before they are issued to the market; and
- e) recommend to the Board for adoption significant changes in accounting policies and annual and six-monthly financial statements.

## **9. Audit Functions**

9.1 In carrying out these responsibilities, the Committee will:

- a) meet with the external auditors and the Manager to review the scope of the proposed audit and half year review for the current year and the procedures to be utilised, the adequacy of the external auditor's compensation and at the conclusion thereof review such audit or review, including any comments or recommendations of the external auditors;
- b) review reports received from regulators and other legal and regulatory bodies, including matters that may have a material effect on the financial statements or related company compliance policies;
- c) review the internal audit function of Investore (if any) including the independence and authority of its reporting obligations, the proposed audit plans for the coming year and the coordination of such plans with the external auditors;
- d) receive on a regular basis a summary of findings from any completed internal audits and a progress report on the internal audit plan (if any), with explanations for any deviations from the original plan;
- e) report the results of the annual audit to the Board, including whether the financial statements comply with applicable laws and regulations. If requested by the Board, invite the external auditors to attend the full Board meeting to assist in reporting the results of the annual audit or to answer other Directors' questions (alternatively, the other Directors, particularly the other Independent Directors, may be invited to attend the Committee meeting during which the results of the annual audit are reviewed);
- f) review the nature and scope of other professional services provided to Investore by the external auditors and consider the relationship to the auditors' independence;
- g) on an annual basis, assess and confirm to the Board the independence of the external auditor;
- h) make recommendations to the Board as to the appointment or discharge of external auditors;
- i) establish the external auditor's fees, subject to shareholder approval;
- j) on a quarterly basis, review and monitor the ratio of non-audit to audit fees; and

- k) ensure that the external auditor or lead audit partner is changed at least every five years.

## **10. Risk Management Functions**

10.1 The Board is responsible for risk management generally and delegates this responsibility to the Manager.

10.2 The Committee's risk management responsibilities will be to:

- a) ensure that the Manager has established a risk management framework which includes policies and procedures to effectively identify, treat, monitor and report key business risks;
- b) review the procedures of identifying business risks and controlling their financial impact on the Group;
- c) review the Manager's reports, the external auditor's report and any internal auditor's reports on the effectiveness of systems for internal control, financial reporting and risk management;
- d) ensure that the Board regularly reviews reports on the principal business risks at least annually (including any developments in relation to key risks); and
- e) review key insurance policy terms and cover adequacy and make recommendations to the Board for adoption of the insurance cover.

## **11. Accountability**

11.1 The Board shall annually review the Committee's performance against this Charter and the Board shall review the Charter from time to time as it considers appropriate.