



## AUDIT COMMITTEE CHARTER

### **CENTURY AUSTRALIA INVESTMENTS LIMITED**

Approved by the Board 18 May 2018

## AUDIT COMMITTEE

ASX Recommendation 4.1 – The board should establish an audit committee.

Based on ASX recommendations, the audit committee should consist of:

- Only non-executive directors
- A majority of independent directors
- An independent chairperson, who is not the chairperson of the Board
- At least three members

### AUDIT COMMITTEE MEMBERS

Committee Position	Member	Independent
Chairman	Stephen Menzies	Yes
Member	Robert Turner	Yes
Member	Ross Finley	Yes
Member	Geoffrey Wilson	No

## AUDIT COMMITTEE CHARTER

### ROLE

The Audit Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matters at the request of the Board.

The committee will report to the Board on matters relevant to its role and responsibilities.

### RESPONSIBILITIES

The responsibilities of the Audit Committee are to ensure:

- Relevant, reliable and timely information is available to the Board to monitor the performance of the Company.
- The adequacy of the entity's corporate reporting processes.
- The appropriateness of the accounting judgements or choices exercised by the Administration Manager in preparing the entity's financial statements;
- External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs.
- Recommendations for change to the Annual Report and other external reporting;
- Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions.
- The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
  - Reviewing the terms of engagement, scope and auditor's independence;
  - Recommendations as to the appointment, removal and remuneration of an auditor;
  - Reviewing the provision of any non-audit services provided by the external auditor, ensuring it does not adversely impact on audit independence
  - The rotation of the Audit engagement partner.
- Review the Company's risk profile and assess the operation of the Company's internal control system (via an annual risk management review).

- Compliance with tax, legal and regulatory requirements including requirements for the preparation and presentation of financial statements, and tax reporting and;
- Compliance by Link Fund Solutions Limited with their provision of agreed services.
- The Audit Committee also makes recommendations on the entity's insurance program having regard to the entity's business and the insurable risks associated with its business. In respect of the current financial year no additional recommendations were made to the Board regarding the entity's insurance.
- As a Listed Investment Company ("LIC"), the Company has no direct material exposure to environmental or social sustainability risks. There is potential for indirect material exposure to environmental, social and economic sustainability risks through the entities in which the Company invests. Overall risk within the investment portfolio is part of the Company's investment process and is reviewed regularly by the Investment Manager. The Company does not consider it has any material exposure to environmental or social sustainability risks under Recommendation 7.4.

#### **COMPOSITION OF THE COMMITTEE**

The Audit Committee will be comprised of at least three independent non-executive directors on the Board. The Chairman of the Audit Committee will be an independent director who is not Chairman of the Board. A majority of the Audit Committee members will have experience in financial and accounting matters.

#### **MEETINGS**

As a minimum, the Audit Committee will meet two times per annum. An agenda will be prepared and issued prior to each meeting. Minutes of each meeting will be taken by the Company Secretary and copies of minutes will be issued to each member of the Board.

The Audit Committee may have in attendance at their meeting such members of outsourced service providers as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Audit Committee.

#### **AUDIT**

The Board monitors the performance of the annual & half-yearly audit performed by the External Auditor. If the Board considers that the external auditor of the Company should be changed, a special resolution will be put to shareholder vote at the following Annual General Meeting. External audit engagement partners are required by legislation to rotate their appointment every five years. The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.