



## **Audit and Risk Committee Charter**

### **Introduction**

Carlton Investments Limited ("the Company" and its Board ("Board")) has resolved to establish a committee of the Board to be known as the Audit and Risk Committee ("Committee"), to assist the Board with compliance issues and in the management of risk of the company.

### **Purpose**

The Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting, internal control and risk management framework. The objective in setting a risk management framework is to manage and control market risk exposures within the Company's risk appetite.

### **Membership**

Membership of the Committee will consist of at least three non-executive Directors of the Company with a quorum being two.

The Chairman of the Committee shall be an independent non-executive director of the Company.

Members of the Committee shall be appointed for terms coinciding with their election as directors of the Company.

The Secretary of the Committee will be the Company Secretary, or his delegate, who must attend all meetings to take minutes.

### **Meetings**

The secretary, in conjunction with the Chairman, shall draw up an agenda that is to be circulated to the members of the Committee at least one week prior to each meeting.

Each member will have one vote and the Chair of the Committee will not have the casting vote.

Meetings may be held, and resolutions passed by means of a conference call or similar communications equipment, or any other technology or process by means of which the Board meetings may be held and resolutions passed under the provisions of the Company's constitution and the Corporations Act (Cth) 2001.

Members of the Committee will not participate in discussions and will not vote on any issues in respect of which there is an actual or perceived conflict of interest.

The Chairman shall call a meeting of the Committee at any time if requested to do so by any Committee member or the external auditor. The external auditor shall be given notice of all meetings and shall have the right to attend and speak.

Should the membership of the Committee not include all members of the Board then the minutes and papers of this Committee will be made available to all Directors, provided there is no actual or perceived conflict of interest.

Meetings shall be held at least twice a year.

## **Responsibilities**

The Committee shall consider any matters relating to the financial affairs of the Company and its controlled entities and to the external audit that it considers necessary. It reports to the Board.

The duties of the Committee are to:

- Review the Company's Corporate Governance Statement and advise the Board of any recommended changes;
- Review corporate risk assessment contained in the Material Risk Register and the internal control framework instituted to safeguard against identified risks;
- Review the adequacy of the Company's insurances;
- Periodically review the following Company policy statements and where appropriate make recommendations to the Board for amendment to relevant codes or policies:
  - Core Values, Code of Ethics and Code of Conduct;
  - Trading Policy;
  - Communications Policy;
  - Risk Management Policy;
  - Continuous Disclosure Policy; and
  - Diversity Policy.
- Annually review the programme of Committee Meetings for relevance and appropriateness and consider whether any changes to the Committee's Charter are required.
- Review financial statements and other financial information distributed externally;
- Make recommendations to the Board regarding the payment of dividends and the timing of the payment.
- Review any external audit reports to ensure that, where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken;
- Review the independence and performance of the external auditor and give prior approval of the appropriateness of any significant non-audit services to be provided by the external auditor;
- Liaise with the external auditor, approve the audit fee proposal, and ensure that the annual and half-year statutory audit and review are conducted in an effective and timely manner;
- Review the procedures in place to ensure that the Company continues to comply with the Corporations Law, ASX Listing Rules and Corporate Governance Principles and Recommendations and other legislative reporting requirements;
- Review the annual and half-yearly declarations from the Company Secretary on compliance with accounting standards and the operation of the Company's risk management and internal compliance and control systems;
- Review with the Company Secretary the Company's ongoing compliance with the ASX Continuous Disclosure Policy;
- Initiate and supervise any special investigations that are considered necessary;
- Review any policies on sensitive issues or practices;
- Review policies to avoid conflicts of interest and consider past or proposed transactions between the Company and members of the Board and management;
- Review related party transactions and consider the disclosure of those transactions in the financial statements;
- Monitor compliance with the requirements of taxation and superannuation legislation.

The Committee shall have the authority to seek any information it requires from any officer or employee of the Company or its controlled entities and such officers or employees shall be instructed by the Board of the Company employing them to respond to such enquiries. The Committee is authorised to take such independent professional advice as it considers necessary.

The Committee shall have no executive powers with regard to its findings and recommendations.

After each meeting the Chairman of the Committee will report to the Board.