

## **TERMS OF REFERENCE**

### **AUDIT COMMITTEE**

**Role:** The role of the Audit Committee is to ensure compliance with all legislative requirements, including Corporations Law, the Trust Deed, Articles of Association, Australian Accounting Standards and International Accounting Standards as they apply.

**Terms of Reference:** The Committee is to:

- assess and select internal and external audit providers for recommendation to the Board;
- develop and monitor the risk management framework and risk register
- commission a risk assessment analysis of all CoINVEST's activities every three years (*NB: last performed December 2012*);
- plan, direct and review the annual audit programs ensuring that all areas of risk are addressed on a regular basis;
- review remedial action plans arising from auditors' recommendations;
- scrutinise and advise on the annual audit reports;
- scrutinise and advise on the audit of the annual accounts; and
- investigate and provide advice on any related issues.

#### ***Composition of the Committee:***

The standing members of the Committee are directors appointed by the Board; members of staff, auditors and other specialist advisers may be invited to attend any meeting of the Committee.

The Committee consists of:

- Three C Class (Independent) directors
- One A Class (Worker-Representative) director
- One B Class (Employer-Representative) director

A quorum is a majority of appointed members.

The Board is to elect a Chairperson for a period not less than one complete financial year and until the expiry of the director's four year term – at which point the director is eligible for re-election as the Audit Committee Chairman. The Chairman is not to be the Chairman of the Board, unless acting as a substitute for the Committee Chairman in his or her absence. The Chairman will normally be a C Class (Independent) director. The Company Secretary will be the Secretary of the Committee unless the Committee decides otherwise.

Any director may attend meetings of the Committee even if not an appointed member of the Committee.

### ***Operation of the Committee:***

While the Committee is advisory in nature and has no permanent delegation from the Board, it may issue instructions to management concerning remedial action in response to audit observations and findings. However, in specific circumstances, the Board may delegate decision-making authority to the Committee in order to expedite transactions or aid operational requirements.

The Committee is to set its own meeting timetable and agenda. All scheduled meetings of the Committee are to be minuted and those minutes forwarded to the next available Board Meeting for review and approval. Committee attendance records will be published at each Board meeting.

Meetings may be held by any acceptable means, eg, telephone, written communication (including facsimile and e-mail) or by direct computer link but will normally be by attendance at ColINVEST's offices.

### ***Extract of Articles of Association:***

#### **35 PROCEEDINGS OF DIRECTORS - Directors' committees**

35.1

- (a) Directors may delegate any of their powers, other than those which by law must be dealt with by the Directors as a board, to a committee or committees.
- (b) The Directors may at any time revoke any delegation of power to a committee.

35.2 A committee must exercise its powers in accordance with any directions of the Directors and a power exercised in that way is deemed to have been exercised by the Directors.

35.3 A committee may be authorised to sub-delegate all or any of the powers for the time being vested in it.

35.4 Meetings of any committee will be governed by the provisions of these Articles which deal with Directors' meetings so far as they are applicable and are not inconsistent with any directions of the Directors.

35.5 The Board may form a Finance Committee, an Audit Committee or any other Committee. The Board will determine the membership, terms of reference and any other matter relating to the operation of any committee so established. At least one Director must be appointed to each committee and a Director must chair the committee.

--end of extract--

---

*Reviewed and endorsed by the Audit Committee on 1 April 2014*

*Reviewed and approved by the Board on 6 May 2014*