



LIVING AND LEISURE AUSTRALIA GROUP

AUDIT AND RISK COMMITTEE CHARTER

1. Membership

The Audit & Risk Committee (**Committee**) shall comprise of a minimum of three non-executive members of the Board of Directors, the majority of which shall be independent directors.

The Board of Directors will appoint the Chair of the Committee, who should be an independent director and may not be an executive director nor is the Chair to be the Chair of the Board.

The quorum of any meeting will be two members. An executive member may not chair the meeting in the Chair's absence.

The Committee makes a decision if it is supported by a majority of members who are present at the meeting. The Chair shall have a casting vote.

Each member should have the skills and experience appropriate to the Group's business. Each member shall be financially literate, at least one member must have accounting or related financial expertise.

Members of management may attend Committee meetings by invitation.

The external Auditor shall be invited to attend Committee meetings when considered appropriate by the Committee.

Meetings may be by whatever medium the Committee chooses, e.g. circular resolutions, teleconference etc.

2. Secretarial and meetings

The LLA's Company Secretary shall be appointed secretary of the Committee.

The Secretary shall:

- organise for an agenda to be drawn up for each meeting;
- circulate the agenda and supporting documentation prior to each meeting;
- draft the minutes of the meetings and distribute to the Committee for approval; and
- maintain audit & risk committee secretariat files.

All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open for inspection by a director.

The Chair will call a meeting of the Committee if so requested by any Director. The secretary will convene a meeting upon the receipt of a request by the external auditor or any member of the Committee.

Meetings shall be held at least twice a year and correspond with the Group's reporting cycle. The regularity and timing of meetings is to be determined by the Committee.

3. Duties and Responsibilities

The role of the Committee is to assist the Board in discharging its oversight responsibilities in relation to audit and risk matters.

The Committee will be responsible for:

- overseeing the financial reporting process to ensure the balance, transparency and integrity of published financial reports;
- reviewing the effectiveness internal control environment covering the effectiveness and efficiency of operations and reliability of financial reporting;
- reviewing the effectiveness of the risk management framework and assess its effectiveness at identifying, managing and monitoring key risks and make recommendations to the board regarding same;
- recommending to the Board the appointment and assessment of the performance of the external auditor and rotation of external audit engagement partners
- reviewing the independence of the external auditor including reviewing and approving the level of non-audit services provided by the auditor;
- reviewing the Group's process for monitoring compliance with laws and regulations affecting financial reporting; and
- considering and reporting to the Board of any such other matters as the Board may refer to the Committee from time to time.

4. Authority & Reporting

The Committee shall have the authority to seek any information it requires from any officer of the Group.

The Committee is authorised to take such independent professional advice, as it considers necessary, subject to prior consultation with the Chair of the Board.

The Chair of the Committee shall report the findings and recommendations of the Committee to the Board of Directors after each Committee meeting. The minutes of all Committee meetings shall be circulated to members of the Board of Directors.

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

5. Review

The Committee will, at least once in each year review the membership and charter of the Committee to determine its adequacy for current circumstances. The Committee may recommend amendments to the responsibilities, functions or membership of the Committee to the Board