



Centrepoint Alliance Limited

ABN: 72 052 507 507

AUDIT & RISK COMMITTEE CHARTER

1. Purpose and Objectives

The Committee will assist the board in fulfilling its oversight responsibilities of the financial reporting and process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own codes of business conduct. In performing its duties, the Committee will maintain effective working relationships with the board of directors, management and external auditors.

2. Authority

The Board authorises the Committee, within the scope of its responsibilities, to:

- a. Seek any information it requires from:
 - i. any employee (and all employees are directed to co-operate with any request made by the Committee); and
 - ii. external parties,
- b. Obtain outside legal or other professional advice at the expense of the Company,
- c. Ensure the attendance of company officers and external auditors at meetings as appropriate.

3. Organisation

Membership

- a. The Committee will comprise of two members, who will be non-executive directors and should be independent as defined in the ASX Corporate Governance Principles and Best Practice Recommendations.

- b. The chairman of the Committee will be nominated by the Board from time to time, will be a non-executive director and will not be the Chairman of the Board.
- c. A quorum for any meeting will be two members.
- d. The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board.

Attendance at Meetings

- a. The Committee may invite the Chief Financial Officer ("CFO") to all meetings and may invite such other persons as it deems necessary.
- b. The CFO and external auditors should be invited to make presentations to the Committee as appropriate.
- c. The proceedings of all meetings will be minuted.

4. Roles and Responsibilities

The Committee has responsibility for three functions; audit, risk management and legal compliance and will as far as is reasonable:

Internal Control

- a. Evaluate whether management is setting the appropriate "control culture"
- b. Consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown.
- c. Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

Financial Reporting

- a. General
 - i. Gain an understanding of the current areas of greatest financial risk and how management is managing these effectively.

- ii. Consider with the CFO and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues.
 - iii. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements.
 - iv. Ask management and the CFO and external auditors about significant risks and exposures and the plans to minimise such risks.
 - v. Review any legal matters which could significantly impact the financial statements.
- b. Annual Financial Statements
- i. Review the annual financial statements and determine whether they are complete and consistent with the information known to committee members.
 - ii. Meet with management and the external auditors to review the financial statements and the results of the audit.
 - iii. Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about the company and its operations.
- c. Preliminary Announcements, Interim Financial Statements and Analysts' Briefings
- i. Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from management and the CFO and external auditors

External Audit

- a. Review the external auditors' proposed audit scope and approach to ensure no unjustified restrictions or limitations have been placed on the scope.
- b. Review the performance of the external auditors.
- c. Consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the company.

- d. Make recommendations to the Board regarding the appointment or reappointment of the external auditors, and where necessary will call for and evaluate tenders from suitably qualified audit organisations.
- e. Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- f. Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis.
- g. Ensure that management responds to recommendations by the external auditors.

Compliance with Laws and Regulations

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- b. Obtain regular updates from management and Company's Chief Counsel regarding compliance matters.
- c. Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.
- d. Review the findings of any examinations by regulatory agencies.

Risk Management

- a. Develop and review a risk management policy.
- b. Review risk information and consider such information from an analytical and mitigation perspective.
- c. Review the insurance needs and recommend insurance program design requirements of the Company.
- d. Review the Company's preparedness for adverse events and capabilities for responding to such events.
- e. Review and recommend appropriate organisational structure and processes for the Company to support implementation through line management.

- f. Review and recommend appropriate education, support, tools and technology to enable management to efficiently use and apply risk management principles.
- g. Maintain and review the Company's policy on risk management.
- h. Facilitate and oversee the process for identification and analysis of business risk.
- i. Review the business risk analysis and consider its rigour, completeness and accuracy, recommending improvements where necessary.
- j. In light of the business risk analysis, assess the insurance needs of the Company, discuss the optimum insurance program design and instruct the Company's insurance advisers to place insurance protection that meets coverage, economic and security requirements.
- k. Review the performance of the Company's insurance advisers to ensure that the quality, cost, delivery and efficiency of the service meets requirements and recommend change as needed.
- l. Review the Company's preparedness for and capabilities of addressing adversity/major loss events and recommend measures to maintain preparedness and capability.
- m. Review the resource needs and structural responsibility for supporting line management awareness and for maintaining a focus on risk management (including budgets for key functions).
- n. Review and recommend appropriate management education processes and tools/technologies to enable line management to be aware of policy and essential procedures.

Compliance with the Company's Codes of Conduct

- a. Ensure that the Codes of Conduct for directors and employees are developed, regularly reviewed and communicated to all directors, employees or other appropriate parties.
- b. Evaluate whether management is creating an appropriate environment by communicating the importance of the codes of conduct and the guidelines for acceptable behaviour.
- c. Review the process for monitoring compliance with the codes of conduct.
- d. Obtain regular updates from management regarding compliance.

Reporting Responsibilities

- a. Regularly update the Board about committee activities and make appropriate recommendations.
- b. Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

Other Responsibilities

- a. Perform other oversight functions as requested by the full Board.
- b. If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- c. Review and update the charter, receive approval of changes from the Board.
- d. Evaluate the committee's own performance on a regular basis.

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