



## **Audit Committee Charter**



# Audit Committee Charter

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## 1. General

- 1.1. The purpose of the Committee is to assist the Assetora Board in the effective discharge of its corporate governance and oversight responsibilities in relation to the external audit function, accounting policies, financial reporting, internal controls, compliance (including the code of conduct).
- 1.2. The Committee has authority from the Board to review and investigate any matter within the scope of its charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.
- 1.3. The Committee has unrestricted access to employees, records, external auditors, tax and other financial, insurance or legal advisers engaged by Assetora Limited and its subsidiaries (“Assetora”). The Committee is authorised to take advice from any external parties as appropriate at Assetora’s expense. The external auditors will have direct access to the Committee and to the Board via their respective Chairman.
- 1.4. Responsibilities

The Audit Committee will carry out the following responsibilities:

### Corporate Reporting

- Review the half year and annual financial statements presented by management, together with reports and opinions from the external auditor. Responsibility for sign-off of the financial statements will remain with the Responsible Entity. Based on representation from Assetora Management, the Committee will provide the Responsible Entity with a written recommendation to accept the financial statements of the Assetora Fund.
- Review significant accounting and reporting issues and assess the appropriateness of accounting policies and methods chosen by management, particularly those relating to significant accounting estimates and judgements and the assessment of going concern. Responsibility for sign-off of the policies contained in the financial statements will remain with the Responsible Entity. Financial reporting.
- Review recent regulatory and professional pronouncements and understand their impact on the financial statements.
- Review the results of the audit with the external auditor, including significant adjustments, uncorrected misstatements and any difficulties encountered or unresolved disagreements with management.
- Review the appropriateness of disclosures in the financial statements and financial reporting to stakeholders, particularly with regards to estimates and judgements.

- Review all matters required to be communicated to the audit committee under Australian Auditing Standards with management and the external auditor, such as key audit matters for listed companies, significant internal control deficiencies, indications of fraud or corruption and non-compliance with laws or regulations.
- Review management representations, including the CEO and CFO declarations regarding the financial report and financial records.
- Provide a recommendation to the board whether the financial report should be approved, based on review of the financial statements, note disclosures and other information. Responsibility for sign-off of the financial statements will remain with the Responsible Entity.
- Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about Assetora and its operations and is unbiased.
- Review management's process for ensuring that information contained in analyst briefings, investor presentations and press announcements is consistent with published financial information and is balanced and transparent.

## 2. External audit

Assess the quality and effectiveness of the audit conducted and evaluate performance of the auditor.

Provide a recommendation to the board on the selection, appointment, re-appointment or replacement of the external auditor and rotation of the engagement partner. A written recommendation will be made to the Responsible Entity on engaging the external auditor. Responsibility for engaging the external auditor will remain with the Responsible Entity.

- Review with the external auditor the scope and terms of the audit and the audit fee including a review of non-audit services provided by the external auditor.
- Review the audit plan for coverage of material risks and financial reporting requiring Monitor and review auditor independence and objectivity.
- Establish ongoing communications with the auditors and ensure access to directors and the audit committee.
- Review reports from the external auditors (including auditor's reports, closing reports and management letters).
- Discuss with the external auditors matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.

### Internal Audit

Assetora does not currently have an internal audit function reporting to the Audit Committee due to its size. The Board acknowledges that internal audit can be an important element in the control environment of an organisation and can contribute to more effective risk management. Also, the ASX Corporate Governance Principles and Recommendations state that, if a listed entity does not have an internal audit function, they need to explain the

reason for this. Additionally, they should explain how risk management and internal control processes are managed, evaluated and continually improved in the absence of an internal audit function.

Assetora has tried to ensure it operates with appropriate checks and balances, and the structure of the business as a Managed Investment Scheme has a number of external service providers, who check and are reported to by the Assetora Group, in addition to regular detailed external audit, both of the Group financial processes and account, and Fund Compliance.

### **Risk management, fraud and internal control**

Whilst these responsibilities can be allocated to the Audit Committee, the Board of Assetora shall satisfy itself that Assetora Group has in place an appropriate risk management framework that covers both financial and non-financial risks; that risks facing the company have been identified, assessed and that the risks are being properly managed.

This includes:

- monitoring management's performance against the risk management framework, including whether it is operating within the risk appetite set by the Board;
- reviewing any material incident involving fraud or a break-down of risk controls
- and the "lessons learned;"
- receiving reports from (internal) audit on its reviews of the adequacy of your processes for managing risk;
- receiving reports from management on new and emerging sources of risk and
- the risk controls and mitigation measures that management has put in place to deal with those risks; and
- seeking recommendations to the board in relation to changes that should be
- made to Assetora's risk management framework or to the risk appetite set by
- the Board.

The Board shall consider whether the risk management framework deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

(Corporate Governance Statement S9.6)



## Compliance and ethics

Whilst these responsibilities can be allocated to Audit Committees, the Board of Assetora shall satisfy itself that Assetora has in place appropriate compliance and ethics.

- Consider the impact of Assetora's culture on compliance processes.
- Monitor the impact of changes in key laws, regulations, internal policies and accounting standards affecting Assetora's operations.
- Review the effectiveness of Assetora's systems, policies and practices that relate to compliance with laws, regulations, internal policies and accounting standards, and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Obtain regular updates from management and the head of compliance about compliance and ethical matters that may have a material impact on Assetora's financial statements, strategy, operations or reputation, including material breaches of laws, regulations, standards and company policies.
- Review and monitor related party transactions.
- Review processes and procedures designed to ensure compliance with the ASX listing rules on continuous disclosure.
- Review and, where applicable, approve the policies, processes and framework for identifying, analysing and addressing complaints (including whistleblowing) and review material complaints and their resolution.
- Review Assetora's process for communicating the code of conduct to staff and assess the effectiveness of, and compliance with the code.
- Discuss with management whether all regulatory compliance matters of Assetora have been considered in the preparation of the financial statements, such as compliance with accounting standards and the requirement for the financial statements to reflect a 'true and fair' view.
- The Committee will review the financial statements of the Assetora Fund. Responsibility for sign-off of the financial statements will remain with the Responsible Entity. Based on representation from Assetora Management, the Committee will provide the Responsible Entity with a written recommendation to accept the financial statements of the Assetora Fund.

## Other responsibilities

- Perform other activities related to this charter as requested by the board.

2.1. In this Charter the following terms have the following meanings:

"Board" means the Board of Assetora Limited,

"Director" means a member of the Board of Assetora Limited,

"Non-Executive Director" means a Director who is not employed in an executive capacity



### 3. Composition

- 3.1. The Committee will consist of non-executive Directors and executive directors and have at least three members, the majority being independent.
- 3.2. Each audit committee member must be financially literate. At least one member of the Committee should have significant expertise in financial reporting, accounting or auditing. The Chairman of the Committee should act independently and must not be the Chairman of the Board.
- 3.3. The Company Secretary or their nominee will act as the Secretary to the Committee.

### 4. Meetings

- 4.1. The Committee must meet as often as required and at least four times each year.
- 4.2. Meetings will be called by the Secretary at the request of the Board or Committee Chairman.
- 4.3. Members of the Board may attend meetings of the Committee and the engagement or audit partner of the external audit firm may attend meetings ex officio. Subject to paragraph 3.6, the Chief Executive Officer, the Chief Financial Officer and the Financial Controller of Assetora may attend meetings ex officio.
- 4.4. The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers. These records will be available to any Committee member and any Board member upon request.
- 4.5. The Committee will develop an annual program to meet its responsibilities.
- 4.6. The Committee will meet with the external auditor without members of management or executive directors being present at least once each year and whenever considered appropriate by the Chairman of the Committee. The Committee may seek explanations and additional information from the external auditor as and when required.
- 4.7. The Committee may meet with management and seek explanations and additional information as and when required.
- 4.8. The Committee Chairman, or their nominee, will report to the Board after each meeting of the Committee and copies of the minutes of each Committee meeting will be included in the papers and provided to members of the Board for the next full Board meeting.
- 4.9. A quorum for a committee meeting will be a majority of committee members or at least two members.

- 4.10. Each member of the Committee will have one vote and questions will be decided by a majority of votes. In the case of an equality of votes, the Chairman of the Committee will have a second or casting vote.
- 4.11. A meeting of the Committee can be held in person, by telephone or by teleconference or any combination thereof, so long as a quorum of members can hear the proceedings of the meeting at all times.
- 4.12. An agenda and meeting papers will be prepared and provided in advance to members, along with appropriate briefing materials.

Minutes of meetings will be prepared and circulated to audit committee members and all board members.

### **Meeting attendance by non-members**

All directors may attend Committee meetings, subject to exclusion as deemed appropriate by the Committee Chair from time to time. The CEO, CFO, COO and CCO shall normally be invited to attend committee meetings. The external auditor is usually invited to attend all meetings of the committee. The committee may ask management to present at committee meetings on issues relevant to the committee's duties and responsibilities. The committee should meet privately with the following persons or parties at least annually in separate sessions to discuss any matters that the committee or these parties believe should be discussed privately with the committee:

- Chief Audit Executive (not currently applicable)
- External auditor;

The Chief Compliance & Risk Officer, reports and presents to the Board.

## **5. Reporting**

The committee will report regularly to the board about audit committee activities and make appropriate recommendations.

## **6. Review**

The committee will conduct an annual review of its performance and effectiveness. This review process will include review of the terms of this charter.

Date of Audit Charter

- 6.1. This Charter was resolved by the Assetora Limited Board on 24 August 2022