



Group Audit Committee Charter



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1. Scope

The Group Audit Committee appointed by the Board of Directors of MyState Limited also operates as the Audit Committee and performs the functions outlined in this charter, for each of the following entities that have operations that require oversight by the Audit Committee:

- MyState Financial Limited
- Tasmanian Perpetual Trustees Limited
- Tasmanian Perpetual Trustees Limited Managed Investment Schemes
- Connect Asset Management Pty Ltd (and the securitisation trusts that Company manages)
- Conquest Securities Pty Ltd
- MyState Financial Community Foundation Pty Ltd
- The Gourmet Club Pty Ltd
- Axis Retirement Solutions
- Other wholly owned subsidiaries or controlled entities as required from time to time.

The reference to the Board in the Charter means the Board of MYS and/or the Board of each entity referred to above.

2. Objectives

The Group Audit Committee (“the Committee”) is a sub-committee of the Board of Directors that assists the Directors in discharging the Board’s responsibilities of oversight and governance in relation to financial and audit matters. In this role, the Committee has no executive responsibility. It is responsible for performing its duties in accordance with its Charter and making recommendations to the Board of Directors on the adequacy of external and internal audit. The objectives of the Committee reflect this important role and include the following:

- Assisting the Board of Directors to discharge its responsibilities to exercise due care, diligence and skill in relation to the:
 - reporting of financial information to users of the financial reports;
 - application of accounting policies;
 - internal control system;
 - evaluation and monitoring of the Company’s exposure to fraud.

- Providing a formal forum for communication between the Board and senior financial management;
- Improving the efficiency of the Board by delegating tasks to the Committee where such tasks should be discussed in sufficient depth;
- Improving the effectiveness of the internal and external audit functions and the communication between the Board and the external and internal auditors;
- Ensuring the independence of the external auditor; and
- Providing a structured reporting line for internal audit and ensuring maintenance of the independence and objectivity of the internal auditor.

3. Duties and Responsibilities

The Committee is required to discharge the following duties and responsibilities:

External Reporting

To review and report to the Board on:

- Annual and Half-Year (where applicable) Financial Reports including recommendations to the Board for the adoption of these reports;
- The reasonableness of significant estimates and judgments in the financial reports;
- The appropriateness of the accounting principles and policies used and the clarity of the Group's financial disclosures in conjunction with the external auditor;
- The responses to complaints regarding accounting and auditing matters; and
- Company compliance with relevant laws including tax laws, Corporations Act and with the requirements of ASIC, the ASX and APRA. (It is noted that the Group Risk Committee will have oversight of compliance with other laws and there may be some overlap.)

Internal Audit

To review and report to the Board (as necessary) on:

- Appointment of the Internal Auditor;
- Internal Audit's role, Charter, qualifications and resources;
- Internal Audit reporting lines and independence (i.e. to the Managing Director, Chief Financial Officer, Chairman of the Group Audit Committee);
- The scope of the internal audit plan and work programme, including whether it covers all material risks and financial reporting requirements (in conjunction with the external audit plan);
- The progress of the internal audit programme and the implications of internal audit findings on the control environment;
- Management's responses to Internal Audit's findings and the timeliness in which action plans are completed; and
- The process the MYS Group has in place for monitoring and assessing the effectiveness of internal audit.

External Audit

To report to the Board on:

- Recommendations on the appointment of the external auditor and monitoring of effectiveness and independence;
- Whether the auditor is fit and proper for APRA purposes;
- The external auditor is required to rotate the lead audit partner and the audit review partner, so that neither role is performed by the same partner for more than five years, or more than five years out of seven successive years.
- The external auditor's fee and whether an effective, comprehensive and complete audit can be conducted for the proposed fee;
- Recommendations on the term of the engagement with the external auditor and reviewing that engagement at least annually, including whether the auditor meets the applicable independence tests;

- The scope of the external audit particularly the identified risk areas and whether, in conjunction with the internal audit programme, all material risks and financial reporting requirements are covered and any additional agreed-upon procedures on a regular and timely basis;
- The external audit plan, audit results and implications of the external audit findings for the control environment;
- All representation letters signed by management and ensure that the information provided is consistent with the Committee's knowledge;
- Inquiries of the auditor if there have been any significant disagreements with management irrespective of whether or not they have been resolved; and
- The monitoring and critiquing of management's responsiveness to the external auditor's findings and recommendations.

Other Responsibilities

- Discuss with management and the external auditor any correspondence with regulators or government agencies which raise material issues or could impact on matters regarding the Group's financial statements or accounting policies.
- Discuss with the Chief Financial Officer/Company Secretary any legal matters that may have a material impact on the Group's financial statements.
- Regularly discuss and receive reports from the Chairperson of the Group Risk Committee on relevant risk matters that should come to the attention of the Group Audit Committee.
- The members of the Committee should meet with the both external and internal auditors without management personnel being present at least once per annum. These meetings should address, amongst other things, whether the external or internal auditors (as the case may be) have received co-operation from management and whether there have been any impediments to carrying out their respective audits.
- The Chairperson of the Committee should meet regularly and separately with the Chief Financial Officer/Company Secretary, the internal auditor and with the external audit partner.
- The Group Audit Committee will refer to the Group Risk Committee any matters that have come to its attention that are relevant for the Group Risk Committee for noting or consideration, or which should be dealt with by that Committee.

- The establishment and maintenance of whistleblowing policies and procedures that enable employees of the MYS Group, which includes APRA regulated institutions, to confidentially submit information about which the employee may have concerns on the following:
 - accounting
 - internal control
 - compliance
 - audit
 - other matters

- The establishment of processes for:
 - communicating these whistleblowing policies and procedures to employees
 - dealing with matters raised by those employees

4. Specific Complaints Procedures

The Group Audit Committee will respond to complaints regarding accounting and auditing, including complaints from those who wish to remain anonymous. The complaints procedure will operate as follows:

- The complaints will be brought to the attention of the Group Audit Committee by the Chief Financial Officer/Company Secretary;
- The complaints will be discussed by the Committee and if so directed, the Chief Financial Officer/Company Secretary will conduct an investigation and report back to the Committee on the outcome of the investigation;
- The scope of any investigation will be set by the Committee;
- Where appropriate, the Group Audit Committee may request the external auditor to assist in any investigation;
- The Chief Financial Officer/Company Secretary will respond to any complaint at the direction of the Committee; and
- The Chief Financial Officer/Company Secretary will maintain a register of complaints and report to each Group Audit Committee meeting, the details of any complaints received and the status of any outstanding complaints.

- The complaints procedure operates independently of the MYS Group Whistleblower policy. Complaints received in accordance with the Whistleblower policy will be investigated in accordance with the procedures outlined in the Policy, which may or may not involve the Chairperson of the Group Audit Committee.

5. Excluded Responsibilities

The Board has not required the Group Audit Committee to oversee the following areas:-

- Board and Management performance and compensation, which is overseen by the Group Human Resources and the Remuneration Committee.
- Compliance with other laws and regulation not specifically dealt with in this Charter, that are overseen by the Group Risk Committee.
- Insurance and risk, which is overseen by the Group Risk Committee.
- Balance sheet asset and liability management which is overseen by the MyState Financial and Tasmanian Perpetual Trustees ALCOs.
- Corporate Governance, which is overseen by the Group Corporate Governance and Nomination Committee and the Board.

6. Board Committee Standing Procedures

Refer attached.