

**AUSTOCK PROPERTY MANAGEMENT LIMITED  
AUSTOCK FUNDS MANAGEMENT LIMITED**

**Audit and Compliance Committee Charter**

**1. PURPOSE**

- 1.1 The Audit and Compliance Committee (“Committee”) is a committee of the Austock Property Management Limited (“APML”) and Austock Funds Management Limited (“AFML”) Boards (“Board”). This charter governs the operations of the Committee.
- 1.2 APML and AFML are the responsible entities of a number of managed investment schemes including Australian Education Trust, The Australian Social Infrastructure Fund, Austock Childcare Fund and CIB Fund (“Schemes”).
- 1.3 The functions of the Committee in relation to the Schemes include:
- 1.3.1 assisting the Board in discharging its obligations with respect to:
- (i) interim and annual financial reporting and disclosures;
  - (ii) the compliance and internal control framework;
- 1.3.2 overseeing APML and AFML’s relationship with the external auditor;
- 1.3.3 maintaining the independence of auditors; and
- 1.3.4 overseeing the compliance functions performed by APML and AFML in accordance with the Compliance Plan for each Scheme.

**2. MEMBERSHIP OF THE COMMITTEE**

- 2.1 The Committee shall comprise at least 3 members, all of whom are non-executive and a majority of whom are independent.
- 2.2 All members of the Committee should be financially literate (ie able to read and understand financial statements) and have familiarity with financial management. At least one member must have financial expertise (ie be a qualified accountant or other financial professional with experience of financial and accounting matters). At least 2 members must have an understanding of the industry in which the Scheme operates.

**3. CHAIRMAN**

- 3.1 The Board will appoint one member of the Committee to be Chairman of the Committee. The Chairman should be an independent member who is not Chairman of the Board.

**4. TERM OF MEMBERSHIP**

- 4.1 Members of the Committee will be appointed for a term of three years, after which time they will be eligible for re-appointment by rotation. A maximum term of 6 years shall apply.
- 4.2 Despite the above, membership will be reviewed annually. Changes to the composition of the Committee will require formal approval by the Board.

## **5. MEETINGS**

- 5.1 The Committee will meet half yearly or more frequently as required.
- 5.2 The Chairman of the Committee will call a meeting if formally requested to do so by any member of the Committee, the Managing Director or Chief Financial Officer or the External Auditor.
- 5.3 A quorum will comprise any two members of the Committee.
- 5.4 The Managing Director and Chief Financial Officer will be invited to attend all Committee meetings. Members of the Board who are not members of the Committee also have the right to attend any meeting. The Committee may invite other executives, employees and/or advisers as it deems appropriate.
- 5.5 The Company Secretary will act as Secretary to the Committee. The Secretary is responsible for drawing up the agenda and preparing the minutes of meetings of the Committee in such form as the Chairman of the Committee determines.

## **6. REPORTING**

- 6.1 The Chairman of the Committee will report the findings and recommendations of the Committee to the Board after each Committee meeting.
- 6.2 The Minutes of each Committee meeting will be distributed to all Committee members and other invitees to Committee meetings.

## **7. RESPONSIBILITIES AND FUNCTIONS**

- 7.1 The Committee's key responsibilities and functions are to:
  - 7.1.1 oversee the preparation of financial statements and reports;
  - 7.1.2 oversee the financial controls and systems;
  - 7.1.3 oversee APML and AFML's relationship with the external auditor and the external audit function generally; and
  - 7.1.4 oversee the compliance functions performed by APML and AFML in accordance with the Compliance Plan for each Scheme.
- 7.2 The Committee's specific function on audit is to review and report to the Board that:
  - 7.2.1 the system of control which management has established effectively safeguards the assets of the Scheme;
  - 7.2.2 accounting records are properly maintained in accordance with statutory requirements; and
  - 7.2.3 financial information provided to investors and the Board of APML and AFML is accurate and reliable.
- 7.3 The following are intended to form part of the normal procedures for the Committee's audit responsibility:

- 7.3.1 overseeing the Scheme's financial reporting and disclosure processes and the outputs of that process;
- 7.3.2 determining the reliability and integrity of accounting policies and financial reporting and disclosure practices;
- 7.3.3 monitoring compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- 7.3.4 reviewing (in consultation with management and external auditors) the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports;
- 7.3.5 periodic evaluation of the performance of the external auditors;
- 7.3.6 reviewing, agreeing and approving the annual audit plan; and
- 7.3.7 setting and overseeing the Company's policy (if any) on the provision of non audit services.

## **8. RELATIONSHIP WITH THE EXTERNAL AUDITOR**

- 8.1 The Committee and the Board have the ultimate responsibility and authority to select, evaluate and where appropriate, replace the external auditor.
- 8.2 The Committee has the responsibility of:
  - 8.2.1 making recommendations to the Board for the appointment, remuneration and removal of the external auditor and agreeing to the terms of engagement;
  - 8.2.2 monitoring the effectiveness and independence of the external auditor; and
  - 8.2.3 ensuring the audit is conducted in accordance with the Auditing Standards and all other relevant accounting policies and standards.

## **9. INFORMATION**

- 9.1 In the event that the Committee perceives a need to obtain independent advice to assist it in discharging its responsibilities, upon notifying the Board of its intention to do so, the Committee may obtain independent professional advice at the reasonable expense of the Scheme.

## **10. ADOPTION**

- 10.1 This policy was adopted by the Board on 22 October 2008.