

Audit and Compliance Committee Charter Summary

Challenger Listed Investments Limited
ABN 94 055 293 644 AFSL 236887

The board of directors (Board) of Challenger Listed Investments Limited (CLIL) have appointed a separate Audit and Compliance Committee (Committee) to oversee the compliance of the regulatory and financial audit obligations of CLIL as the holder of an Australian Financial Services Licence.

1. Objectives

The main objective of the Committee is to assist the Board in reviewing any matters of significance which affect financial reporting or compliance. These include:

- management of financial and operational risks; and
- maintenance of an efficient and effective audit.

2. Size and composition

The Committee will consist of a minimum of three members, the majority of which will be external members.

The Chairperson of the Committee is appointed by CLIL.

3. Membership

Committee members must be persons of good character and standing with relevant experience and qualifications in funds management, accounting, audit, management, legal or compliance.

Committee members will be appointed by CLIL.

A Committee member may be removed by CLIL by giving notice to that Committee member.

A Committee member may resign or retire by giving notice to CLIL.

4. Functions and responsibilities

The Committee has the following functions and responsibilities.

4.1. Internal control and risk management

To regularly monitor and assess internal control and risk management practices, policies and procedures, and to recommend any changes which it considers prudent and report to CLIL.

4.2. Financial reporting

To review half-year and full-year financial reports before release to market.

To review amendments to financial reporting procedures and make appropriate recommendations (where necessary) in respect of these procedures to CLIL.

To liaise with internal and external auditors regarding financial reports.

4.3. External audit

The Committee is responsible for assisting the Challenger Group Audit and Compliance Committee (GACC) in respect of external audit in:

- (a) assessing and reviewing the scope of the external audit and identified risk areas;
- (b) overseeing the appointment and removal of the external auditor;
- (c) determining the terms of engagement (including remuneration) of the external auditor;
- (d) reviewing external audit reports; and
- (e) monitoring and reporting to CLIL on management's response to external auditor findings and recommendations.

4.4. Internal audit

The Committee is responsible for assisting the GACC in respect of internal audit in:

- (a) ensuring independence of the chief internal audit executive from the external auditor;
- (b) overseeing the scope of internal audit services;
- (c) monitoring and reporting on management's response to internal audit findings and recommendations; and
- (d) overseeing liaison between the internal audit team and the external auditor.

5. Duties of Committee members

Committee members are expected to exercise reasonable care and diligence in discharging their duties.

Committee members must not make use of information acquired in their capacity as Committee members to gain an improper advantage or cause detriment to members, or to gain directly or indirectly an advantage for themselves or any other person.

6. Committee meetings

The Committee will meet at least four times a year. Any Committee member may convene a meeting by giving no less than five business days notice to each other Committee member.

CLIL may appoint a chairperson for a meeting or for a term, and may terminate the appointment at any time. The Committee may elect the chairperson where CLIL fail to do so or the chairperson is not present for the meeting. The chairperson must be an external Committee member. The chairperson's decision in respect of any matter concerning the conduct of the meeting is final.

A quorum shall consist of three members, two of which must be external members. Any director, auditor or invitee of the Committee may attend and present at a Committee meeting.

Voting is by simple majority vote.

The CLIL Company Secretary will be the secretary of the Committee and retain minutes of meetings and records of its reports and recommendations.

The Committee must report to CLIL as soon as practicable following every meeting of the Committee.

Committee members must disclose at the next meeting of the Committee after they become aware of any direct or indirect pecuniary interest in a matter being or about to be considered by the meeting if it may conflict with the proper performance of their duties in respect of the consideration of the matter.

7. Access to information and independent advice by Committee members

Committee members have access to any information necessary to fulfil their responsibilities, including the ability to seek explanations and information from management and auditors (internal and external).

Committee members may seek independent professional advice considered necessary to fulfil their responsibilities. The reasonable costs of this advice will be borne by CLIL.

8. Remuneration

Committee members are entitled to remuneration as agreed with CLIL.

9. Modification of Compliance Plan

CLIL must advise each Committee member of any modification of the Compliance Plan for the Scheme.

10. Amendment of the Charter

CLIL and the Committee may amend the charter from time to time.

The charter is to be reviewed annually by CLIL.