



		Issued by: Company Secretary	Approved by: Board	Version: 2.0
CHARTER TOPIC Audit & Risk Committee	Issued on: 10 December 2019	Effective: 10 December 2019	Supersedes: 29/11/2018 (V1.0)	Pages: 5

INTRODUCTION

The Directors of Ardent Leisure Group Limited (the **Company**) have established an Audit & Risk Committee (the **Committee**) as a Committee of the Board.

OBJECTIVE

The primary objective of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities relating to the Company’s:

- Financial reporting;
- System of internal control and management of material business risks;
- The internal and external audit functions; and
- The process for monitoring compliance with laws and regulations and its own code of business conduct.

Specifically, the Committee’s role is to report to the Board and provide appropriate advice and recommendations on matters relevant to this Audit & Risk Committee Charter (the Charter) in order to facilitate decision making by the Board and in accordance with ASIC guidance relating to the role of directors and audit committees (Information Sheet 196).

COMMITTEE MEMBERSHIP

The members of the Committee and the Committee Chair are appointed by the Board.

The Committee will consist of a minimum of three members. The majority of members of the Committee should be non-executive independent directors.

All members of the Committee must be able to read and understand financial statements, and at least one member must have a comprehensive financial background, that is the person must be either a qualified accountant or other financial professional with experience of financial accounting matters.

Any Director may attend any Committee meeting at any time.

The Chief Executive Officer and the Chief Financial Officer are not members of the Committee. They may be invited to attend meetings of the Committee for reasons of efficiency but shall not be entitled to vote.

CHAIRPERSON

The Chairperson will be a non-executive independent director appointed by the Board who is not the Chairperson of the Board.

QUORUM

The quorum for any Committee meeting shall be two members.

MEETINGS

Any Director may attend a meeting of the Committee and meetings may be held by electronic means as allowed under the provisions of the *Corporations Act 2001* (Cth). The Committee will meet quarterly and more often if deemed necessary.

APPOINTMENT OF COMMITTEE SECRETARY

The Committee Secretary will be the Secretary to the Board.

AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the assistance of outsiders with relevant experience and expertise if it considers this necessary but only after consultation with the Chairman of the Board.

The Committee shall have unlimited access to both the internal and external auditors and to senior management of the Company.

PURPOSE

The Committee is established by the Board of directors to review, evaluate and make recommendations to the Board in relation to:

Risk and Internal Control Environment

- Evaluating and monitoring the overall effectiveness of the Company's business risk management, internal control and compliance systems;
- Evaluating the current "control culture" of the Company and the underlying consistency, direction and communication to employees of appropriate risk policies therein;
- Reviewing existing disaster recovery plans;
- Identifying key business risks within the organisation and building appropriate risk management controls and policies to monitor, manage and minimize the impact and likelihood of same;
- Ensuring adequate resources are allocated to assist management and the Board in implementing an appropriate internal risk culture and discipline;
- Evaluating and monitoring the Company's fraud management policies and exposures;
- Reviewing the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business;
- Review and oversee the Company's tax risk management framework including the Company's Tax Corporate Governance Policy, transfer pricing, tax sharing and funding agreements; and
- Consider taxation issues and make recommendations to the Board as appropriate, based on information provided by management in relation to the Company's taxation obligations.

The Committee has no responsibility for operational safety and risk issues which remain the responsibility of the Board through the Safety & Risk Review Committee.

Financial Reporting

- Monitoring policies, procedures and content of the Company's statutory and management reporting and recommending to the Board for approval;
- Considering the appropriateness of the Company's accounting policies and principles and how those policies and principles are applied by management and make recommendations to the Board regarding significant financial, accounting and reporting issues;
- Reviewing any areas that require significant business judgements or choices exercised by management in preparing the financial statements;
- Reviewing and assessing existing management processes so as to ensure compliance with applicable laws, regulations and accounting standards;
- Monitoring that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies are discussed in advance with the external auditor;
- Reviewing the underlying quality and accuracy of the financial reports from the internal and external auditors and making recommendation to the Board on their approval or amendment;
- Evaluating the adequacy and effectiveness of the Company's administrative, operating and accounting policies through communication with management, internal auditors and external auditors;
- Evaluating and monitoring the adequacy of the Company's corporate, management and operational reporting;
- Ensuring the effective facilitation of the audit process;
- Reviewing and evaluating appropriate disclosures from management, the internal auditors and external auditors on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Company's financial reporting process; and
- Serving as an independent and objective party to review the financial information presented by management to shareholders, analysts and the general public and assess whether the financial reports are consistent with the Committee members' information and knowledge and provide a true and fair view of financial position and performance.

Internal Audit

- Making recommendations to the Board on the selection process, appointment and, where necessary, the removal of the internal auditor;
- Reviewing the role, function and performance of the internal auditor; and
- Appraising the scope and quality of the internal audit work conducted by the Company's internal auditor to ensure the widest coverage possible;
- Reviewing the findings of the internal audit program and management's response to the internal auditor's recommendations; and
- Reviewing the resources of the internal audit function and ensuring no unjustified restrictions or limitations are imposed.

External Audit

- Making recommendations to the Board on the appointment and where necessary the removal of the external auditor;
- Reviewing annually the external auditor's procedures for independence together with any relationships or services which may impair the external auditor's independence, and the rotation of the audit partner;
- Reviewing the fees and terms of engagement of the external auditor, including the proposed audit program scope and adequacy of the proposed work plan;
- Reviewing the findings of the audit with the external auditor, and monitor management's response to reviews and recommendations of the external auditor;

- Appraising the scope and quality of the audits conducted by the external auditor to ensure the widest coverage possible;
- Facilitating appropriate communication and co-ordination between management, internal and external auditors on risks, risks policies and audit results;
- Reviewing all financial reports and management representation letters and recommending them to the Board as complete and appropriate; and
- Reviewing annually the performance of the external auditor and based on the results of the annual assessment of the external audit services, determine whether the external audit services should be re-rendered.

Compliance

- Monitoring the Company's various disclosure obligations;
- Reviewing and recommending to the Board for approval the Company's compliance framework for identifying, monitoring and managing compliance with laws and regulations;
- Assessing the effectiveness of the framework through regular reports from management; and
- Based on the information provided by management in relation to the Company's compliance framework, monitoring that a proper process is in place for continuous reporting to the ASX.

RIGHT TO OBTAIN INFORMATION

The Committee is entitled to consult with expert advisers and seek expert advice where it considers it necessary to carry out its duties at the expense of the Company.

The Committee will have a right of access to internal and external auditors and senior management. The Committee will also meet separately with the internal and external auditors at least annually or as otherwise required. The external auditor will be invited to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of the external audit findings for the control environment.

REPORTING TO THE BOARD

Recommendations from the Committee to the Board will be included in the Board Papers under items for decision by the Board and be accompanied by information in support of the recommendation to enable directors to make a considered decision.

PERFORMANCE EVALUATION

The Committee will undertake a self-assessment process annually which includes:

- Comparing the Committee's practices with the Charter requirements;
- Identifying any enhancements to the Committee Charter; and
- Implementing practices designed to enhance the Committee's effectiveness.

ACCESS TO CHARTER

A copy of the Charter is available on the Company's website.

REVIEW

The Committee will review this Charter annually to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.

Amendments to this Charter, other than updates for branding or position titles, are to be recommended for approval by the Committee to the Board.