

# Audit Committee Charter

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Australand Holdings Limited (ABN 12 008 443 696)

Australand Property Limited (ABN 90 105 462 137; AFSL No. 231130)

Australand Investments Limited (ABN 12 086 673 092; AFSL No. 228837)

Updated May 2009

# Audit Committee Charter

## 1. Role

1.1 The role of the Audit Committee (**Committee**) is to assist the Boards of Australand Holdings Limited (**AHL**), Australand Property Limited (**APL**) as the responsible entity of Australand Property Trust and Australand ASSETS Trust, Australand Investments Limited (**AIL**) as the responsible entity of Australand Property Trust No.4, Australand Property Trust No.5, in fulfilling their responsibilities relating to Australand's overall finance practices and to monitor compliance with Australand's various legal, regulatory and constitutional obligations. AHL, APL and AIL have identical Boards of Directors. The term **Boards** hereafter should be read as references to these Boards.

## 2. Scope

2.1 The scope of the Committee extends to the operations and activities of all of Australand's legal entities.

## 3. Authority

3.1 The Committee's function is principally one of oversight and review. Responsibility thus resides with the Boards.

## 4. Responsibilities

The main responsibilities of the Committee are to:

### 4.1 Financial Reporting

- monitor the processes concerning:
  - the integrity and reliability of Australand's financial and management reporting systems including, but not limited to, the effectiveness of the system of internal controls;
  - Australand's accounting policies and principles and recommend for the Boards' approval any changes thereto; and
  - compliance with applicable legal and related regulatory requirements;
- review any management letter from the external auditors; and
- review the integrity of the draft half-yearly and annual financial reports with management and the external auditors and recommending their adoption by the Boards.

### 4.2 Financial Risk Management

- monitor the processes concerning identification of the financial risk exposures material to the Group and the processes implemented to mitigate those risks.

### 4.3 External Audit

- review and recommend to the Boards for acceptance, the qualifications of the external auditor and the appointment, terms and scope of the external auditor engagement;
- recommend to the Boards the appointment, termination and fees of external auditors;
- review annually the effectiveness, performance and independence of the external auditors taking into account:
  - the length of appointment;

- the last dates the lead engagement and review partners were rotated; and
- an analysis and disclosure of fees paid to the external auditor, including the materiality of fees paid for non-audit services and the nature of those services.
- review representation letters signed by management and evaluate that the information provided is complete and appropriate;
- meet privately with the external auditor at least twice per year.

#### 4.4 Internal Audit

- review and approve the scope of the internal audit plan and work programme;
- recommend to the Boards the appointment, termination and fees of the internal auditor; and
- review annually the effectiveness, performance and leadership of the internal auditor.

#### 4.5 Other matters

- review annually the Managing Director's delegated authorities, prior to approval by the Boards;
- Compliance by Management with constraints imposed by the Board; and
- the Committee will meet with the Risk & Compliance Committee as required so as to co-ordinate the activities and responsibilities of the two Committees.

### 5. Composition

- 5.1 The Committee shall be comprised of three or more non-executive directors, the majority of whom are to be independent non-executive directors.
- 5.2 At least one member of the Committee will also be a member of the Risk & Compliance Committee to provide a link between the activities and responsibilities of both committees.
- 5.3 The Chairman of the Committee must not be the Chairman of the Boards. The Boards will appoint the Chairman of the Committee who will be an independent non-executive director.
- 5.4 The Company Secretary will be the secretary to the Committee.

### 6. Committee Procedures

- 6.1 The Committee will meet at least quarterly and will be convened and conducted on the same principles as those that apply to the Boards.
- 6.2 A quorum for a meeting of the Committee is when at least two members who are independent non-executive directors are present.
- 6.3 A meeting of the Committee may be held by members communicating with each other by any technological means by which they are able simultaneously to hear each other and participate in discussion. The minutes of the meeting shall record the method by which the meeting was conducted.
- 6.4 The Committee may deal with matters requiring a decision by way of a Circulating Resolution. Such resolutions will be deemed to have been passed when the proposed resolution is signed by a majority of members eligible to vote have signed the resolution.

- 6.5 The Committee may invite members of management or others to attend meetings from time to time. The Managing Director, Chief Financial Officer, General Manager Finance, Group Financial Controller and General Counsel will normally be invited to attend all meetings of the Committee.
- 6.6 Representatives from the external and internal auditors are invited to attend all Committee meetings and be heard on any matter that affects them. They have direct access to the Committee on matters of financial risk management, control, audit and accounting and may request special meetings if considered necessary. They have the opportunity to raise any matters they consider relevant to the attention of the Committee without senior management being present.
- 6.7 The Committee will review and assess annually, the adequacy of this Charter and recommend any proposed changes to the Boards for approval.
- 6.8 The Committee will conduct an annual self-appraisal of its performance with respect to this Charter.
- 6.9 The Committee has authority, within the scope of its responsibilities, to seek information it requires from any employee or external party.
- 6.10 With the prior consent of the Chairman of the Boards, the Committee and its individual Members may obtain outside legal or other independent professional advice at the expense of Australand to assist in discharging their responsibilities. Any advice obtained will be made available to all directors.
- 6.11 The Committee will report to the Boards regularly on its activities.