

NSW BUSINESS CHAMBER AUDIT, RISK & COMPLIANCE COMMITTEE OF THE BOARD CHARTER

This Charter sets out the basis on which the NSW Business Chamber (“NSWBC”), Board of Directors (the “Board”) has established an Audit, Risk & Compliance Committee (the “Committee”) pursuant to the Constitution.

PURPOSE

The purpose of the Committee is to advise the Board on the establishment and maintenance of internal controls and ethical standards for the management of the NSWBC and its related entities (the “Group”). The Committee is responsible for monitoring the management of the overall risks of the Group, the reliability of financial and management reports and compliance with relevant laws and regulation. The Committee is also responsible for reviewing the efficiency and effectiveness of the external audit and internal controls.

The operation of the Committee will be governed by this Charter which sets out the role, composition, authority, responsibilities and operations of the Committee. The Charter will be made available to members of the NSWBC via the NSWBC website.

MEMBERSHIP

Structure

The Committee will be comprised of at least 4 non-executive members of the Board, if the composition of the Board and the financial skills and expertise of the directors make this practicable to do so.

The President will nominate, and recommend to the Board for approval, the Chairman of the Committee. The Chairman of the Committee will be a Director who is not the President of NSWBC.

The Chairman of the Committee will be appointed by the Board for a period of 2 years or until the election of a new President of the NSWBC, whichever is sooner. The Board has the power to revoke the appointment of the Chairman at any time.

The Chairman of the Committee will nominate, and recommend to the Board for approval, the members of the Committee.

Members of the Committee will be appointed by the Board for a period of 2 years or until the election of a new President of the NSWBC, whichever is sooner. The Board has the power to revoke the appointment of a member of the Committee.

The Company Secretary will be appointed Secretary of the Committee, unless otherwise determined by the Board.

A member of the Committee may retire from the Committee by giving written notice to the Chairman or Secretary of the Committee.

The Board will review the membership of the Committee on an annual basis. It will be the responsibility of the Chairman to advise the Board of the time for the review of Committee membership. Membership of the Committee shall be published in the annual report.

Expertise

All members of the Committee should be financially literate and at least one member of the Committee should have well developed financial skills.

MEETINGS**Frequency**

Meetings will be held at least three times a year. A schedule of meetings will be agreed by the Committee in advance. At least one of the meetings will be at a date to enable the draft Annual Statutory accounts to be reviewed. Special meetings will be called if circumstances require.

The Chairman will call a meeting of the Committee if so requested by 2 or more Committee members, the President of the NSWBC, the Chief Executive Officer (“CEO”), the Director, Finance (or equivalent), the Company Secretary or the external auditors.

Notice

The Secretary, in conjunction with the Chairman and Director, Finance (or equivalent), will draw up an agenda, which will be circulated at least five business days prior to each meeting, to the members of the Committee, invitees and the external auditors.

Quorum

A quorum shall consist of at least three members of the Committee.

Chair

In the absence of the Chairman at a meeting, those present shall elect a Chairman for that meeting. The Chairman does not have a casting vote.

Attendance

Only members of the Committee and the President of NSWBC have the right to attend, and vote at, a Committee meeting.

All other members of the Board have the right to attend Committee meetings.

Unless otherwise directed by the Committee, the CEO, Company Secretary and Director, Finance (or equivalent) have standing invitations to attend Committee meetings.

The Committee may have in attendance such other members of management or others as it may deem necessary to provide appropriate information or assistance to the Committee.

On at least on one occasion per year, the Committee will meet with the external auditors without the presence of the CEO, the Director, Finance (or equivalent) and management.

DUTIES AND RESPONSIBILITIES

The Committee shall consider any matters relating to the financial affairs of the NSWBC and the Group and to internal and external audit that it considers necessary. In addition, the Committee shall examine any other matters referred to it by the Board.

To meet its objectives, the Committee is, without limiting the extent of its responsibilities, specifically expected to carry out the following:

Management of Risks

- (a) Be aware of the areas and types of risk arising from the businesses, affairs, transactions (including M&A transactions) and activities of NSWBC and the Group and monitor how management is addressing those risks.
- (b) Monitor the effectiveness of the systems of internal control that have been established to manage risk.
- (c) Receive information from the Investment Committee and HR & Succession Committee on areas of risk being considered by that Committee.

Management Reports and the Annual Report and Accounts

- (a) Review and assess the adequacy of management's financial reports to the Board.
- (b) Review the group's accounting policies in the light of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and generally accepted accounting principles.
- (c) Review the draft Annual Accounts and Reports of the NSWBC and the Group.
- (d) Review the Director's questionnaire to management.
- (e) Review the letters of representation to the external auditors.

Compliance with Laws and Regulations

- (a) Monitor developments and changes in the law relating to the responsibilities and liabilities of directors and to monitor and review the extent to which the Board is meeting its obligations.
- (b) Monitor developments and changes in the various rules, regulations and laws which relate generally to the entity's business operations and to monitor and review the extent to which the entity is complying with such laws.

Audit Effectiveness and Efficiency

- (a) Ensure maintenance and review of the internal and accounting control framework and where any deficiencies are identified, ensure prompt remedial action is taken by management.
- (b) Review and assess findings of the external auditors, and the action taken or proposed by management in response to these findings.
- (c) Review the scope of audit work with the external auditors every year and periodically approve letter of engagement and fees.
- (d) Review the performance of the external auditor and recommend appointment as appropriate.
- (e) Consider whether non-audit services provided by the external audit firm are consistent with maintaining the external auditor's independence.
- (f) Receive from the external audit firm an annual written statement outlining the extent of its relationship with the Group.

- (g) Ensure that any matters outstanding with the external auditor or regulatory authorities are appropriately addressed.

Other Matters

- (a) Review reports on material contracts, declarations of actual and potential conflicts of interests and transactions between the NSWBC and the Group and any of its officers.
- (b) Review its performance as an Audit, Risk & Compliance Committee on an annual basis.

AUTHORITY

The Committee makes recommendations to the Board for resolution and otherwise has no executive powers of its own with regard to its recommendations.

The Minutes of all Committee meetings shall be circulated to members of the Board and shall contain all findings and recommendations of the Committee.

Access

The Committee is authorised to seek any information it requires from any officer or employee of the NSWBC that is necessary to allow the Committee to fulfil its duties and responsibilities.

Independent Advice

The Committee may take such independent professional advice, as it considers necessary. The Committee must comply with any policy or procedure set down by the Board in respect of seeking such advice.

Review of this Charter

The Committee shall on an annual basis, review its Charter to determine its adequacy for current circumstances and to ensure that it remains consistent with the Committee's authority, objectives and responsibilities. When it is deemed necessary to do so, changes will be recommended to the Board for the formal adoption of a revised Charter for the future operations of the Committee.