

Audit Committee Charter

The charter of the Committee is:

1. Introduction

It is the policy of Lifestyle Communities Ltd to have an Audit Committee ('Committee') established by the Board of Directors at all times.

The Committee:

- Is a Committee of review and recommendation.
- Reports and is accountable to the Board.
- Has the responsibilities and the powers set out in this Charter.

2. Objectives

The objectives of the Committee are to:

- Assist the Board in fulfilling its risk management, accounting and reporting responsibilities by providing independent and objective oversight and review of the information presented by Management on Lifestyle Communities' performance and operations to stakeholders.
- Ensure that appropriate internal controls and risk management policies are implemented by management.
- Provide a formal process for communication between the Board, Management and the external auditors.
- Oversee and appraise the quality, efficiency and effectiveness of the external audit function.
- Consider and review the scope of work, reports and activities of the external auditor.

3. Authority

The Committee has the authority to meet with appropriate personnel, obtain relevant records, and discuss matters with internal and external auditors, senior management and, where necessary, independent experts. Any costs will be borne by the Company.

4. Composition

4.1 The composition of the Committee will be determined as follows:

- The Board will determine the composition of the Committee which should consist of not less than two members.
- At least one member of the Committee will have accounting qualifications. All members must have and maintain basic financial literacy.
- The Committee should consist of non-executive directors.

4.2 The chairperson of the Committee will be appointed by the Board and shall not be Chairman of the Board.

4.3 Membership of the Committee will be reviewed by the Board at least every year. Any changes to membership will require the formal approval of the Board.

5. Responsibilities

The Committee will:

- Independently review the financial information prepared by management.
- Consider the Company's financial statements for the half and full year, including CEO/CFO letter of representation to the Board and Management representations.



- Recommend the operational and compliance risk policies for approval by the Board.
- Review assurances on the effectiveness of the internal control systems.
- Oversee, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders.
- Oversee and appraise the independence, effectiveness and scope of work of the external auditors.
- Review the effectiveness of the process implemented to monitor compliance with applicable laws and regulations.
- Report to the Board on its activities and table the minutes of Committee meetings.
- Provide an avenue of communication between the external auditor and the Board.

6. Meetings and Attendance

- The Committee meetings will be conducted in accordance with the corporate governance guidelines approved by the Board on an annual basis.
- The Committee is scheduled to meet on a quarterly basis to a work plan agreed by the Committee.
- The Company Secretary or nominee shall act as secretary for all meetings of the Committee.
- The auditors of the Company may be invited to attend all meetings of the Committee. At each meeting, the Committee shall meet the external auditor without management present.
- The Committee may invite such other persons, including management, to attend meetings of the Committee as deemed appropriate.
- Lifestyle Communities Ltd currently requires the partner managing the audit for the external auditor be changed within a period of 5 years.

7. Reports to the Board

The Committee shall keep the Board informed of its activities through the minutes of all its meetings and shall formally advise the Chairman of the Board of any matters or recommendations requiring attention by the Board.

8. Self Assessment

The Committee shall assess the effectiveness periodically. This Charter shall be reviewed and updated as required.

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