



Audit Committee Charter

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1. Objectives

The Audit Committee (the “Committee”) is a committee established by the board of directors (“Directors”) of Lifestyle Communities Limited (the “Company”) (“Board”).

The objectives of the Committee are to assist the Board in the discharge of its responsibilities for:

- ensuring the integrity and reliability of financial reports and financial statements;
- ensuring that adequacy of the internal control framework of the Company and its subsidiaries (“Group”) and that appropriate internal controls are implemented by management of the Group (“Management”), including the appropriateness of accounting judgments or choices exercised by Management in preparing the Group’s financial statements;
- considering and reviewing the scope of work, reports and activities of the external auditor, including the recommendations for the appointment of the external auditor and the fees payable to the external auditor for audit and non-audit work;
- overseeing and appraising the quality and effectiveness of the external audit function, including the performance and independence of the external auditor;
- considering and reviewing the scope of work, reports and activities of independent investment property valuers;
- complying with applicable legal and regulatory requirements;
- Considering the requirement for any internal audit activities; and
- Reviewing the annual Corporate Insurance program and give consideration to the level of cover required.

2. Duties and Responsibilities

The duties and responsibilities for the Committee are as follows:

To oversee, review and report to the Board on:

- the half-year and full year financial statements of the Group; and
- the independence of the external auditor, their procedures and rotation policy for audit partners.

To review, recommend and report to the Board on:

- the scope and audit plan of the external auditor; and
- the Group’s material accounting policies and any change thereto.

To review and report to the Board on:

- the reports of the external auditor and any material issues arising from such audits.

To review, recommend and report to the Board on:

- the Group’s independent investment property valuations;
- selection of independent valuers; and
- timing of independent valuations.

To assess and report to the Board on:

- the effectiveness of Management’s internal controls over the Group’s business processes;
- the adequacy of the Group’s insurance program; and
- the overall performance of the Committee by:
 - obtaining feedback from the Board, Managing Director, Chief Financial Officer and Company Secretary;
 - completing a self-assessment process at least every two years; and
 - the Committee Chair assessing the contribution and performance of individual Committee members.

To review and recommend to the Board:

- Any recommendations that should be put to the Company’s shareholders regarding the appointment or dismissal of the external auditor and the terms of their engagement; and
- Any changes to the Committee’s membership, responsibilities or function.

3. Reporting to the Board

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

4. 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 and other consultants. Any costs will be borne by the Group.

The Committee is a review Committee and makes recommendations to the Board for consideration. It has no decision-making authority and holds no delegated authorities from the Board.

5. Membership

The Committee is appointed by the Board and must be comprised of at least three members, all must be Non-Executive Directors, the majority must be independent, and it must be chaired by an independent director who is not the Chair of the Board.

Non-members of the Committee, including management and the external auditor, may attend meetings of the Committee at the invitation of the Committee Chair.

The Committee’s activities are to be fully supported by the Managing Director, Chief Financial Officer and Company Secretary. These executives are responsible for ensuring that adequate information is provided to enable the Committee to make assessments and judgments consistent with the purpose stated above.

The Board may appoint additional Non-Executive Directors to the Committee or remove and replace members of the Committee by ordinary resolution of the Board. Members of the Committee may resign from the Committee by written notification to the Board.

It is intended that the members of the Committee between them should have the accounting and financial expertise, and a sufficient understanding of the industry in which the Group operates, to be able to discharge the Committee’s responsibilities effectively.

6. Meetings

The Committee is to meet at least three times per year. Special meetings may be called by the Committee Chair. Other Committee members may request a special meeting through the Committee Chair.

A quorum requires at least the Committee Chair and one other Committee member. However, if the Committee Chair is unavailable, a quorum may be formed by any two Committee members with the Committee Chair consent.

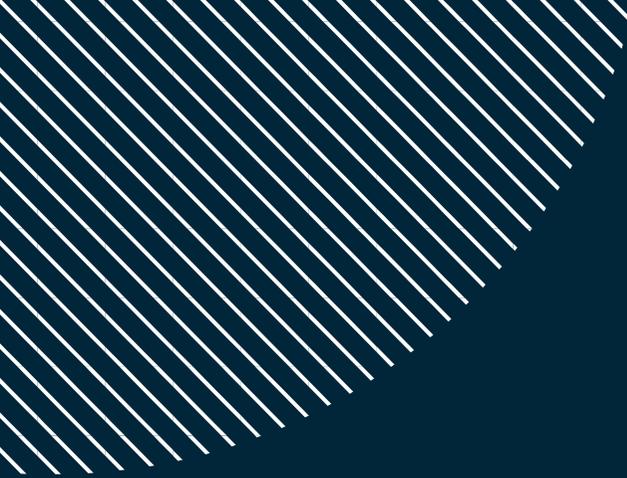
The external auditor of the Group may be invited to attend any or all meetings of the Committee. At any meeting, the Committee may meet with the external auditor without management present.

The Managing Director, Chief Financial Officer and Company Secretary are required to attend Committee meetings, unless requested otherwise by the Committee Chair. As needed, other management will be invited to attend meetings for appropriate agenda items.

7. Review of this Charter

The Board will, at least once every two years, review the membership and charter of the Committee to determine its adequacy for current circumstances.

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Lifestyle

COMMUNITIES

Lifestyle Communities Limited

Level 1, 9-17 Raglan Street
South Melbourne VIC 3205

Ph: (03) 9682 2249

www.lifestylecommunities.com.au