

# AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

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February 2023

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## 1 Introduction

The Boards of Mirvac Limited and Mirvac Funds Limited as responsible entity for Mirvac Property Trust (**MPT**), including their controlled entities (together **the Board** for collectively **the Group**) have established an Audit, Risk & Compliance Committee (**Committee**).

## 2 Purpose of Charter

This Charter sets out the Committee's role, responsibilities and powers and how those powers will be exercised and discharged.

## 3 Committee Role and Responsibilities

The Committee's role is to assist the Board in fulfilling its oversight responsibility in relation to the Group's financial reporting, systems of internal control and management of risk, internal and external audit functions, and compliance obligations. It does this having regard to relevant laws and regulations and and better practice governance standards.

The Committee:

- notes the risk committee functions undertaken by the Board's Health Safety, Environment & Sustainability ("**HSE&S**") Committee as set out in its charter (being those relating to the Group's operational risks specific to health, safety, environment and sustainability matters); and
- will work in conjunction with the HSE&S and any other Board Committee to assist with ensuring the Mirvac Group complies with the relevant laws and regulations and maintains appropriate corporate governance procedures.

The Board has overall responsibility for:

- (a) the initial appointment and recommendation of the appointment for approval by security holders of the Group's external auditors;
- (b) approving the remuneration of the Group's external auditor;
- (c) defining the scope of the Group's external audit function;
- (d) reviewing and approving changes to the Group's control environment and audit, compliance and risk management resources, structures and processes;
- (e) approving the definition of significant audit and compliance issues, reviewing significant audit and compliance issues and considering and approving action and remediation plans;
- (f) reviewing major risks that the Mirvac Group is, or is likely to be, exposed to; and
- (g) approving the risk management framework and risk appetite.

The Board has established the Audit, Risk & Compliance Committee:

- (a) to assist the Board in discharging its responsibilities as set out above;
- (b) with the responsibilities set out in this section 3; and
- (c) with the delegated authority set out in section 8.

As set out in Annexure B, the Committee also undertakes activities and tasks:

### **AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER**

Policy Authorised by: Mirvac Group Board on 8 February 2023

Policy Maintained by: Company Secretariat

Last Revised Date: 15 April 2021

- as a “compliance committee” for the purposes of Chapter 5C of the Corporations Act 2001 (Cth) for Mirvac Funds Limited as responsible entity for MPT;
- for Mirvac Funds Limited as a holder of an Australian Financial Services Licence (AFSL); and
- on behalf of controlled entities within the Group which act as a Trustee, Responsible Entity or a holder of an AFSL.

There are controlled entities within the Group which act as either a Trustee or a Responsible Entity (“**Trustee/RE Entities**”) and for which the Group provides certain services detailed in a services agreement between Mirvac Funds Management Limited and Mirvac Projects Pty Limited.

The key responsibilities of the Committee include:

(a) Risk Management:

- reviewing and making recommendations to the Board on the Group’s risk profile, including assessing and prioritising the Group’s key operational, strategic and emerging risks
- setting the risk appetite within which the Group will operate and monitoring the Key Risk Indicators (KRIs) to ensure the Group is operating within the approved risk appetite;
- assess the adequacy and effectiveness of the Group risk management framework to satisfy itself that it continues to be sound;
- reviewing and approving the structure and adequacy of the Group’s organisational resilience program including Crisis and Incident Management and Business Continuity Management;
- reviewing and assessing the adequacy and effectiveness of risk management reporting;
- reviewing and approving the adoption and structure of the Group’s insurance program;
- when required, reviewing and making recommendations to the Board in relation to the Group’s policies relevant to the Committee’s responsibilities to ensure that there is:
  - an adequate system of internal control, management of business risks and safeguarding of assets; and
  - accountability at a senior management level for risk oversight and risk management;
- reviewing any breaches of Group policies or applicable regulations including:
  - material whistleblower reports;
  - bullying or harassment incidents;
  - material breaches of relevant Group policies;
  - significant incidents; and
  - material litigation;

(b) Audit

*Financial Reporting*

- overseeing and approving the Group’s financial reporting and disclosure processes and reviewing the outputs of that process;
- making recommendations to the Board on the Group’s dividend and distribution policies regarding the amount, nature and timing of dividends and distributions to be paid;
- reviewing and recommending for approval by the Board the half yearly and annual financial statements of the Group, dividend and distribution estimates, determinations and confirmation of actual distributions paid, taking into account:
  - the accuracy of the statements and ensuring that they reflect a true and fair view;
  - adherence to accounting standards and policies and any other requirements relating to the preparation and presentation of financial results; and

- information from internal and external auditors which may be relevant to the quality of financial reports / statements;
- reviewing and making recommendations on the Group's significant accounting policies and principles;
- reviewing and making recommendations on significant accounting and reporting issues and the appropriateness of the accounting judgements exercised by management in preparing the Group's financial statements; and
- reviewing and approving the Group's Investment Property and Valuation Policy and Inventory Policy;

#### *External Audit*

- reviewing and approving the Group's External Audit Annual Plan;
- reviewing and where appropriate, making recommendations to the Board in respect of:
  - the appointment (or removal) of the external auditor, including the terms of engagement, remuneration and other contractual terms;
  - the procedures for selecting and appointing the external auditor and for the rotation of external audit engagement partners; and
  - the performance and independence and of the external auditor in accordance with the criteria set out in Annexure B<sup>1</sup>;
- reviewing compliance with the requirement that the external auditor does not supply "prohibited non-audit services" which are any services if provided by the external auditor to the Group would create a real or perceived threat to the independence of the external auditor;

#### *Internal Audit*

- reviewing and approving the Group's Internal Audit Annual Plan, including its adequacy, scope and any changes that may be required;
- reviewing and approving reports from internal audit, the effectiveness of the internal audit program and the performance and objectivity of the internal audit function, including:
  - the results of any significant internal audits undertaken, and issues raised therein;
  - the internal control structure and procedures for financial reporting processes;
  - the organisational structure and qualifications of the internal audit program;
  - whether the internal auditors are adequately resourced and coordinated with the external auditor;
  - providing input into the selection of candidates for the role of Head of Internal Audit;
  - monitoring the independence, objectivity and performance of the internal audit function and of the internal audit programs from the external auditors and management; and
  - management's responsiveness to internal audit findings and recommendations;

#### (c) Compliance

- monitoring and reviewing the Group's:
  - compliance obligations;

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<sup>1</sup> A copy of the Group's Policy on External Auditor Assessment and Independence is attached as Annexure B.

- compliance processes, policies, and procedures;
- issues and significant breaches; and
- compliance projects;
- reviewing and making recommendations on the Group's compliance with each of the Group's Registered Managed Investment Scheme's (**Scheme**) Compliance Plans and constitutions, and the Group's AFSLs;
- reviewing and, where appropriate, making recommendations on Scheme Compliance Plans and approving the appointment of Scheme Compliance Plan Auditors, including terms of engagement;
- reviewing and making recommendations on governance and compliance issues relating to corporate relationships, joint ventures and investment management activities;
- evaluating the Group's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
- making recommendations on the Group's Anti-Money Laundering and Counter-Terrorism Financing (**AML / CTF**) Program and AML / CTF Policy (**Policy**) in addition to reviewing and making recommendations on compliance with the AML / CTF Program and the Policy;
- reviewing and or approving any other matter requested by the Board; and
- when required, reviewing and making recommendations (together with any other Board Committee) to the Board in relation to the Group's policies and procedures relevant to the Committee's responsibilities, to ensure compliance with relevant laws, regulations and better practice corporate governance processes.

## 4 Committee Size and Composition

- (a) All Committee members must be Non-Executive Directors.
- (b) Unless otherwise determined by the Board, the Committee will comprise a minimum of three Directors, a majority of whom satisfy the criteria for independence set out in the Board Charter.
- (c) The Chair of the Board is not required to be a member of the Committee. Where the Chair of the Board is a Committee member, they will not also be the Chair of the Committee.
- (d) The Board will appoint the Committee members and may remove or replace the Chair and Committee members by resolution.
- (e) It is intended that all members of the Committee should be financially literate and have familiarity with financial management and at least one member should have relevant qualifications and experience (i.e. be a qualified accountant or other finance professional with experience of financial and accounting matters).
- (f) The Board has delegated authority to the Nomination Committee to assess annually the performance of the Committee, and to review and approve a professional development program for Directors to ensure the skills and knowledge needed to perform their roles effectively are maintained.
- (g) Members of management and the external auditor may attend Committee meetings at the invitation of the Committee Chair.
- (h) The Committee is entitled to have access to, and meet with, the Group's auditors (both external and internal) without executives or management of the Group being present.

## 5 Meetings

- (a) The Committee will meet at least quarterly, or more frequently as necessary.

- (b) All Directors of the Board are entitled to receive copies of Committee papers and to attend the Committee meetings (subject to any conflicts).
- (c) A quorum for any Committee meeting will be two members.
- (d) The Secretary of the Committee will be the Group Company Secretary or their appointed delegate.
- (e) The Committee agenda and papers will be circulated to the Committee members within a reasonable period in advance of each Committee meeting. The Secretary of the Committee will circulate the minutes of the Committee meetings to members of the Committee.
- (f) The Committee may pass a resolution at a Committee meeting by way of simple majority of those members present and eligible to vote on the matter;
- (g) The Committee may pass a resolution without a Committee meeting being held if all of the Committee members who are then in Australia and entitled to vote on the resolution sign a document (either physically or by electronic means) containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by Committee members if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Committee member signs.

## 6 Reporting

The Committee will make recommendations to the Board and the Chair of the Committee will provide updates to the Board at each subsequent Board meeting about the Committee's activities.

## 7 Access to Independent Advice

- (a) The Committee collectively, and each Committee member individually, has the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and support independent judgment in decision making at the Group's expense, subject to paragraph 7(b).
- (b) It is expected that a Committee member will consult the Chair or the CEO & Managing Director before obtaining advice and the policy of the Board is that external advice will be made available to all Directors unless the Chair agrees otherwise.

## 8 Specific Delegations from the Board

The Committee has full delegated authority to fulfil its responsibilities as set out in section 3 above, including the approval, on behalf of the Board, of any matter where this Charter specifies that the Committee's responsibility extends to approval of that matter.

## 9 Review

This Charter will be reviewed every two years or more frequently as required.

## 10 Approval

This Charter was approved and adopted by the Mirvac Group Board on 8 February 2023.

## Annexure A:

### Activities to be undertaken by the Committee on behalf of the Group's Trustee, Responsible Entity or AFSL Boards

Below are the activities to be undertaken by the Committee in Mirvac Funds Limited's capacity as responsible entity for MPT and a holder of an AFSL, and on behalf of controlled entities within the Group which act as a Trustee, Responsible Entity or a holder of an AFSL:

1. **Annual investment and financial review reporting for all registered and unregistered schemes (including any wholly owned sub trusts as applicable):**
  - investment property valuations;
  - assessment of the realisable value of inventory and appropriate provisions;
  - classification of borrowings;
  - distributions; and
  - going concern or any other key item to note for each respective fund.
  
2. **Half Yearly and Annual Distribution reporting for all registered and unregistered schemes (including as applicable for any wholly owned sub trusts):**
  - estimations;
  - determinations; and
  - actuals.
  
3. **Review and recommendation for the relevant Board to approve AFSL Cash Flow Projections as required by ASIC Class order 11/1140 for:**
  - Mirvac Funds Limited.
  
4. **Review and recommendation for the relevant Board to approve and adopt Half Yearly and Annual Financial Reports for:**
  - Mirvac Property Trust and any other wholly owned or managed registered scheme; and
  - any entity that is a holder of an AFSL.



## Annexure B:

# Policy on External Auditor Assessment and Independence

### 1. Introduction

The Audit, Risk and Compliance Committee (**Committee**) has the responsibility and authority (subject to Corporations Act 2001 (Cth) requirements) for making recommendations to the Board regarding the appointment, removal and remuneration of the external auditor.

The Committee will review the appointment of the external auditor annually based on its assessment of the external auditor's effectiveness and independence.

### 2. Purpose

This policy sets out a practice protocol to assist the Committee in assessing the performance and independence of the external auditor.

### 3. Assessment of External Auditor

The Committee will review the performance of the external auditor on an annual basis after completion of the year end audit. The Committee will assess the effectiveness of the external auditor based on a number of criteria including, but not restricted to:

- the overall comprehensiveness of the external audit plan;
- the timeliness and quality of communications promised under the plan and delivered during the audit;
- the competency and industry knowledge of external audit staff; and
- the adequacy of resources to achieve the scope as outlined in the external audit plan.

The Committee will seek feedback from management and internal audit during the assessment process.

### 4. Independence

As a general principle, it is the Group's policy to engage the best available professional advisors at the most competitive price. This policy must, however, be applied within the context of maintaining the independence of the Group's external auditors.

The Committee will review and assess the independence of the external auditor including, but not limited to, any relationships with the Group or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Group. The review and assessment will be carried out annually at the time the external auditor presents its annual audit plan.

Prior to this review, the Committee will request a report from the external auditor which sets out all relationships that may affect its independence, including the provision of non-audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to

have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.

Before the Board approves the half year and full year accounts, the external auditor will be asked to provide a declaration testifying to its independence in respect of the financial period in question. The external auditor will have a continuing obligation to notify the Committee, via the Company Secretary, of any new information it believes may be material to reviewing its independence.

The Committee has responsibility to develop and oversee the implementation of the Group's policy on the engagement of the external auditor to supply non audit services and to ensure compliance with that policy.

## 5. Attendance at AGMs

The lead auditor of the external auditor is required to attend the Group's Annual General Meeting (**AGM**) and be available to answer reasonable questions from security holders regarding the audit of the Group.

The Group will ensure that security holders are given reasonable opportunity at the AGM to ask such questions. The Group will also allow the external auditor a reasonable opportunity to answer written questions submitted by security holders prior to an AGM in accordance with the requirements of the Corporations Act 2001 (Cth).

## 6. Rotation of External Auditor

The Group or Committee will ensure the external lead auditor for a listed entity is rotated:

- in accordance with the requirements of the Corporations Act and other applicable regulations (including in relation to cooling off); and
- with appropriate succession planning.

## 7. Other Matters

No former partner of the external auditor who was directly involved in an audit of the Group may be appointed as a Director of any Mirvac company or take a position with a Mirvac company during the two year period immediately following the former partner's resignation from the external auditor.

No former partner of the external auditor may become an officer of a Mirvac Group company if any other person, who is or was at any time a partner of the external auditor at the time when the external auditor undertook an audit of a Mirvac Group company, is already an officer of a Mirvac Group company.