



BOARD AUDIT & RISK COMMITTEE CHARTER

AMC AusCo 1 Pty Ltd (ACN 658 085 771) (Topco)

**Adopted by the Board of La Trobe Financial Asset Management
Limited on 26 May 2025**

Contents

Contents..... 2

1 Overview 3

2 Composition 4

3 Reporting 6

4 Duties 6

5 Meetings 8

6 Amendment or Replacement 9

1 Overview

1.1 Purpose

The purpose of this charter is to specify how the Board Audit & Risk Committee (**Committee**), a committee of the Board of Topco (**Board**), is governed. This charter sets out the roles and responsibilities of the Committee, which responsibilities are delegated to management, as well as guidance relating to the membership and the operation of the Committee.

1.2 Role

The Committee has been established by the Board of Topco to assist it in:

- discharging its statutory and fiduciary responsibilities in relation to the external audit function, internal audit, accounting policies, and financial reporting of Topco and the entities controlled by Topco (the **Group** or **La Trobe Financial**). The Committee is to provide an objective, non-executive review of the effectiveness of those functions; and
- monitoring and evaluating the risks to which the Group are exposed (material or otherwise) and providing risk appetite guidance having regard to the nature and extent of those risks. The Committee is to monitor the governance, compliance and risk management frameworks of La Trobe Financial to identify, analyse and manage risk, and meet regulatory, contractual, internal and other requirements.

The role of the Committee includes:

- looking into the effectiveness of the internal control systems for safeguarding company assets, Investors' investment portfolios, managing risk and complying with the Group's risk management framework;
- reviewing integrity of the financial reporting process and issues of fraud and financial losses;
- overseeing the risk management framework and internal compliance and control systems, and management's compliance with risk management strategies, policies, limits and management delegations; and
- monitoring and reviewing the Group's risk management culture.

1.3 Authority

The authority of the Committee is sourced from:

- Topco's Constitution;
- this Charter;
- the Delegated Authorities Policy; and
- separate delegations, resolutions and approvals granted to the Committee by the Board of Topco from time to time.

The Committee is required to make recommendations to the Board and does not have any executive powers to commit the Board or management to the implementation of these recommendations, other than where the Board has delegated authority.

The Board remains ultimately responsible for discharging its statutory and fiduciary obligations, including the financial reporting of Topco, and the risk appetite and risk settings of the Group.

1.4 Access

The Committee has unrestricted access to employees, records, external auditors, tax and other financial, insurance or legal advisers engaged by La Trobe Financial. The Committee is authorised to take advice from any external parties as appropriate at the Group's expense. The external auditors will have direct access to the Committee and to the Board via their respective Chairman.

1.5 Scope

The Committee's principal function is one of supervision, oversight and monitoring. It is not the responsibility of the Committee to personally conduct accounting, auditing reviews or internal audit planning, or to actively seek out activities occurring within La Trobe Financial that are not compliant with the Group's policies and procedures (although the Committee does have a duty to act promptly if any such activity comes to their attention).

In undertaking their role, Committee members should have regard to the following:

- in accordance with section 189 of the *Corporations Act 2001*, each member of the Committee is entitled to rely on executives of La Trobe Financial, on matters within their responsibility, and on external professionals on matters within their areas of expertise, and may assume the accuracy of information provided by such persons, so long as he or she is not aware of any reasonable grounds upon which such reliance or assumption may be inappropriate and the reliance is in good faith;
- Committee members need to examine the details of La Trobe Financial's financial statements and make appropriate enquiries to substantiate the correctness or otherwise of those financial statements based on their knowledge of the Group. In this respect there can be no substitute, nor reliance placed on others, for the financial statements being read carefully, understood and focused upon by each Committee member;
- management is responsible for the preparation, presentation, and integrity of the information, reports and financial statements presented to the Committee;
- management is responsible for implementing and maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards, applicable laws and regulations, and the Group's risk management framework;
- internal audit contributes to the improvement of control systems through the independent review and evaluation of the adequacy, effectiveness and integrity of:
 - financial data; and
 - the control framework;
- external auditors are responsible for planning and carrying out each audit and review in accordance with applicable auditing standards;
- the management Audit & Risk Committee (**ARC**) which oversees, manages and provides recommendations to the Committee in relation to the Group's external and internal audit functions, and the following categories of risks to which the Group is exposed (**Six Risks**) to:
 - **credit risk** – ensuring there are adequate controls and processes in place to manage credit risk;
 - **market risk** – ensuring the Group has a comprehensive independent market risk control framework;
 - **liquidity risk** – recommendations in relation to the Group's liquidity policies;
 - **regulatory risk** – overview of the Group's compliance management framework;
 - **reputational risk** – assessing and making recommendations in relation to risks that may affect the Group's corporate standing and reputation; and
 - **operational risk** – overview of the operational risk profile and operational risk strategy/appetite of the Group and monitoring the Group's overall risk control framework.

2 Composition

2.1 Membership

The Committee must consist of a minimum of three members (including the Committee Chairman), a majority of which must be external members (as defined in section 2.2 of this Charter) unless otherwise agreed by Topco.

All members appointed shall be financially literate and have an overall mix of skills, knowledge, experience and qualifications reflective of the position of a member of a board audit & risk committee.

2.2 External Member

A member of this Committee will be an external member if they:

- are not, and have not been in the previous two years, an employee of La Trobe Financial;
- are not, and have not been in the previous two years, a senior manager of La Trobe Financial;
- are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with La Trobe Financial;
- are not a member of a partnership that is or has been in the previous two years, substantially involved in business dealings, or in a professional capacity, with La Trobe Financial;
- do not have a material interest in La Trobe Financial; and
- are not a relative of a person who has a material financial interest in La Trobe Financial.

A member who is or has been either a director of Topco or a member of a committee of Topco is not, merely because of that directorship or membership, taken to be, or to have been, substantially involved in the business dealings or in a professional capacity with, or have a material interest in, La Trobe Financial.

Any Member appointed as an External Member must:

- confirm to Topco in writing in such form as Topco determines at the time of appointment, and then every year, that he or she qualifies as an External Member; and
- immediately advise Topco in writing if he or she no longer qualifies as an External Member.

2.3 Chairman

The Committee Chairman will be appointed by the Board and must be a director of Topco and, on their appointment, an External Member of the Committee. The Committee Chairman cannot be the Chairman of the Board, but can be Chairman of a separate committee of the Board. Should the Committee Chairman be absent for all or part of a meeting, a designated member of the Committee will deputise in accordance with Topco's Constitution.

The Chairman is responsible for:

- chairing Committee meetings and seeking to ensure that adequate time is available for discussion of all agenda items;
- seeking to ensure that Committee members are briefed on Committee matters and leading the Committee in reviewing and discussing Committee matters;
- seeking to facilitate effective contribution by all Committee members and monitoring Committee performance;
- seeking to promote constructive and respectful relations between Committee members, the External Auditor and management; and
- reporting to the Board on matters considered by the Committee and Committee performance.

2.4 Topco secretary

The Topco Secretary will provide secretarial services to the Committee. The secretary will be required to attend Committee meetings and to carry out some or all of the following functions:

- monitoring that policies and procedures of the Committee are followed;
- organising Committee meetings, member attendance, draft notices of meetings and resolutions for approval, and coordinating the despatch of Committee meeting papers at least 7 days prior to each meeting;
- maintaining records of the reports and recommendations of the Committee;
- capturing the business of Committee meetings in the minutes, and circulating minutes from Committee meetings to the Committee no later than 10 days following each meeting; and

- performing other tasks of a secretarial nature to assist the Committee.

3 Reporting

3.1 Minutes

Proceedings of all meetings are to be minuted and signed by the Committee Chairman. Minutes of Committee meetings will be provided to the Board at the earliest possible Board meeting after each Committee meeting. All Committee papers will be made available to the Directors who are not members of the Committee.

3.2 Reporting

The Committee, through its Chairman, will report to the Board at the earliest possible Board meeting after each Committee meeting, any matters that should be brought to the attention of the Board and any recommendations requiring Board approval and/or action. Any matter of significant importance to the Board, as determined by the Committee from time to time, is to be referred to the Board for its consideration.

These reports shall contain all matters relevant to the Committee's responsibilities including:

- assessments of whether external reporting is consistent with Committee members' information and knowledge, and recommendations for financial reports to be approved by the Board;
- assessments of the internal audit program and outcomes from the program;
- assessments of the performance and independence of external auditors and internal auditors, in relation to matters within the Committee's responsibility;
- recommendations for the appointment or removal of an external auditor or internal auditor;
- recommendations as to the appropriateness of the Group's risk management framework and any risk-related policies that require the approval of the Board; and
- assessments of managements compliance with the Group's risk management framework.

The Committee shall make recommendations to the Board regarding acceptance of annual and half-yearly financial statements.

4 Duties

The responsibilities of the Committee shall be subject to any applicable limitations contained in the Delegated Authorities Policy.

4.1 Financial Reporting

The responsibilities of the Committee in regard to financial reporting include:

- review the accounting policies of La Trobe Financial, including conformance to relevant accounting and reporting standards;
- review all significant accounting policy change and, where appropriate, recommend to the Board that the changes be adopted by the Group;
- receive from management, internal audit and the external auditors a timely analysis of significant financial reporting issues and practices and review such analyses;
- review whether the Group's financial statements (noting that financial statements of the Groups' managed investment schemes are reviewed by the Compliance Committee and Responsible Entity Board) reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Group;
- review the appropriateness of the accounting judgements or choices exercised by management in preparing the Group's financial statements (with respect to non-managed investment scheme financial statements);
- review the audited financial statements and any reports, certifications and/or opinions which accompany published financial statements in order to recommend their approval by the Board;

- review the form of opinion that the external auditors propose to render in order to recommend its approval by the Board.

4.2 Internal Controls Framework

The responsibilities of the Committee in regard to the internal controls framework include:

- form an opinion as to whether the internal control framework is adequate in so far as it affects financial reporting;
- assess whether the internal controls framework is consistently implemented and operating effectively, including with regards to fraud prevention; and
- review the results of any regulatory audits pertaining to financial reporting, which have not otherwise been reviewed by the Board.

4.3 External Audit

The responsibilities of the Committee in regard to external audit include:

- make recommendations to the Board on the appointment, reappointment or replacement, remuneration and terms of engagement of the external auditor;
- review the fees payable for audit and non-audit work;
- monitor the adequacy, effectiveness, performance and independence of the external auditor;
- review the scope of the external audit with the external auditor including identified risk areas and approve external audit plans;
- review and assess provision of non-audit services by the external auditor, with particular consideration to the potential to impair, or appear to impair, the external auditor's judgement of independence in respect of the Group;
- overseeing external auditor rotation by ensuring that no individual plays a significant role in the audit for more than 5 successive years until at least a further 5 years has passed;
- ensure the external auditor is coordinated with internal audit programs; and
- review and monitor management's responsiveness to the external audit findings.

4.4 Internal Audit

The responsibilities of the Committee in regard to internal audit include:

- approve the internal auditor, where the internal auditor is an employee of the Group or, where the internal auditor is an external contractor, approve the appointment and the internal auditor's terms of engagement;
- assess the effectiveness and independence of the internal audit process;
- review and assess the scope of the audit and the internal audit plan, work program and resources and approve internal audit plans; and
- review and monitor management's responsiveness to the internal audit findings.

4.5 Risk Management

The responsibilities of the Committee in regard to risk management, include:

- monitor, review and assess the risk environment in which the Group operates;
- make recommendations to the Board on current and future risk appetite, risk management strategy and practices;
- review and monitor the effectiveness of the risk management framework and internal compliance and control systems;
- review the policies, procedures and controls in place to govern risk taking consistent with the risk appetite of the Group in order to recommend their approval by the Board; and
- review any issues raised by external auditors or internal audit that may materially impact the risk management framework.

5 Meetings

5.1 Meeting frequency

The Committee should meet often enough to undertake its role effectively, but not less than twice each year.

5.2 Notice

A Committee meeting, other than a regular scheduled meeting, can be called by the Committee Chairman at any time. The Committee Chairman will call a meeting of the Committee if so requested by the Board, the Chief Executive Officer, any member of the Committee, by the external auditors, or by the Chairman of the Board. This requires at least 24 hours' prior notice to be given to all Committee members, unless the Committee determines otherwise.

The notice must provide reasonable details of the matters to be considered at the Committee meeting and any proposed resolutions of the Committee.

5.3 Use of technology

A Committee meeting may be called or held using any technology consented to by all committee members. The consent may be a standing one.

5.4 Adjournment

The Chairman has the power to adjourn a meeting for any reason to such place and time as the Chairman thinks fit.

5.5 Location

Unless otherwise agreed by the Committee members, all physical Committee meetings are to be held in Melbourne or Sydney between the hours of 9.00 am and 5.00 pm (AEST).

5.6 Attendance

Generally, and to assist the Committee in the performance of its duties, the following divisions, teams or officers of the Group or service providers may be represented at Committee meetings:

- Internal audit;
- Finance;
- Risk & Governance;
- Legal & Compliance;
- Chief Financial Officer;
- Deputy Chief Financial Officer;
- Chief Risk Officer;
- Chief Executive Officer; and
- Senior Representatives from the external auditor.

The Committee members, any senior executives or directors of the Board or external advisers may attend and speak at a Committee meeting and any other persons considered by the Committee Chairman to be appropriate may attend and speak from time to time.

5.7 Observers

The Committee may appoint observers for a Committee meeting. Any appointment of an observer may be a standing appointment.

5.8 Quorum

A quorum will comprise two members of the Committee.

5.9 Circular resolution

If a majority of the Committee members have signed a document containing a statement that they are in favour of a resolution contained in the document then a resolution in these terms shall be deemed to have been passed at a meeting of the members held on the day on which the last signature is placed on the document.

6 Amendment or Replacement

This Charter may be amended or replaced by the Board. The Board must provide Committee members at least two weeks' notice (or any lesser period of notice the Committee members agree) of any amendment or replacement of this Charter.

The Committee will review this charter annually, and make recommendations to the Board in relation to any proposed changes.