



Board Audit Committee Charter

1. Role

- 1.1 The Board Audit Committee assists the Board of Washington H. Soul Pattinson and Company Limited (the Board) in discharging its responsibilities in relation to the external audit function, accounting policies, financial reporting and related financial reporting compliance matters.
- 1.2 The Committee reviews and investigates any matter within the scope of its Charter and makes recommendations to the Board.

2. Responsibilities

- 2.1 To accomplish its role, the Committee has the following responsibilities:

External audit

- a. Evaluate and report to the Board on the performance and independence of the external auditor.
- b. Review the appointment and selection of the external auditor and the rotation of external audit engagement partners at least every five years and make recommendations to the Board in relation to the proposed fees and terms of engagement of the external auditor and audit engagement partners, and any proposed change of external auditor or audit engagement partners.
- c. Review the external audit plan and related fee for each audit or review of WHSP's financial statements, including whether an effective audit can be conducted for this fee.
- d. Review all reports from external auditors, report to the Board on any issues arising out of those reports and ensure that the required disclosures by the external auditors are made to the Committee within the required timeframes.
- e. Review non-audit assignments performed by the external auditors for WHSP. Proposals to engage the external auditor for non-audit assignments will be notified in writing to the Committee Chairman prior to engagement and reported to the Committee at the subsequent Committee meeting.

Accounting

- f. Review the accounting policies of WHSP, including compliance with relevant accounting and reporting standards.
- g. Review all significant accounting policy changes and, where appropriate, recommend to the Board that the changes be adopted by WHSP.

Financial reporting

- h. Review and report to the Board on the integrity of WHSP's half year and annual financial statements, prior to their release to the market.
- i. Review any statements or commentary to be released to the Australian Stock Exchange to accompany the half year or annual financial statements.
- j. Review any financial reports to be released to the Australian Stock Exchange.
- k. Review the adequacy of WHSP's policies relating to financial reporting and controls, including compliance with laws, regulations and ethical guidelines.
- l. Discuss with management and the external auditor any correspondence with regulatory or government bodies and any published reports which raise material issues regarding WHSP's financial statements.

Review

- m. Periodically review the Committee's Charter.

Other

- n. Review the results of any governmental or regulatory audits involving the above areas which have not otherwise been reviewed by the Board or another Committee.
- o. Review the annual work plan and the performance of the Committee.

3. Composition and membership

- 3.1 The Audit Committee shall comprise of at least three members, who must be financially literate and are non-executive directors. A majority of Committee members must be Independent Directors. An Independent Director is a Director who has been determined by the Board to be independent in accordance with the Board's definition of Independence.
- 3.2 At least one member of the Committee should have significant accounting and financial expertise. The Audit Committee Chair should not be the Chair of the Board.
- 3.3 The Company Secretary or their nominee will act as the Secretary to the Committee.

4. Meetings

- 4.1 Audit Committee meetings may be attended by the members of the Board and the engagement or audit partner of the external auditor of WHSP. The Chief Executive Officer and the Chief Financial Officer of WHSP may attend meetings ex officio.
- 4.2 The Committee Chair, or their nominee, will report to the Board after each meeting of the Committee and copies of the minutes of each Committee meeting will be included in the board papers and provided to members of the Board for the next full Board meeting.
- 4.3 Each member of the Committee will have one vote and questions will be decided by a majority of votes. In the case of an equality of votes, the Chair of the Committee will have a second or casting vote, provided more than two of the members present are entitled to vote.

Frequency

- 4.4 The Committee must meet at least four times each year and as often as required to effectively fulfill its duties.

Quorum

- 4.5 A quorum will comprise two members of the Committee

Secretary

- 4.6 The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers.

5. Access and advice

- 5.1 The Committee or the Committee Chair will meet with the external auditor without members of management being present at least once each year and whenever considered appropriate by the Committee Chair. The Committee may seek explanations and additional information from the external auditor as and when required.
- 5.2 The Committee may meet with management and seek explanations and additional information as and when required.
- 5.3 The Committee is authorised to take advice from external parties as appropriate at Washington H. Soul Pattinson and Company Limited's (WHSP) expense. The external auditors will have direct and unfettered access to the Committee and to the Board.

6. Reporting

- 6.1 The Committee shall provide regular reports to the Board. These reports shall contain all matters relevant to the Committee's responsibilities.
- 6.2 The Committee meeting minutes will be provided to the Board.