

## **VILLAGE ROADSHOW LIMITED ('VRL' or 'Company')**

### **AUDIT AND RISK COMMITTEE CHARTER**

This Charter should be read in conjunction with the Statement of Corporate Governance Principles and the VRL Group Risk Management Policy.

#### **1. ROLE AND PURPOSE**

The role of the Committee is to provide oversight on behalf of the VRL Board and to:

- Assist the Board in discharging its responsibilities by monitoring and advising on:
  - the adequacy and reliability of all external reporting of published financial statements including interim statements and year end audited statements and preliminary announcement of results prior to publication;
  - the appropriateness of the Company's accounting policies and practices including major judgmental areas and significant accounting estimates, material and significant audit adjustments and any proposed departures from accounting standards;
  - the application of accounting policies and that any new accounting standards are appropriately reflected; and
  - the effectiveness of the Company's internal controls and risk management and compliance framework;
- Seek the written representations from the Managing Director and Chief Financial Officer that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- Provide a forum for communication between the Board, management and internal and external auditors;
- Review the nomination, performance and competence of the external auditor and the rotation of the audit partner;
- Monitor the Company's Group Risk Management Policy and report to the Board on the effectiveness of the Company's management of business risks, including the Company's systems of internal controls and assurance processes, covering financial, operational and strategic risks and compliance controls for observance of all relevant laws and regulations.

#### **2. STRUCTURE AND ORGANISATION**

- The Committee shall be comprised of at least three Independent Directors.
- The Chairperson of the Committee must be:
  - appointed by the Board;
  - an Independent Director;
  - appropriately qualified;and shall not be the Chairman of the Board.
- Should the Chairman of the Committee be absent from a meeting, the members of the Committee present must appoint a chairman for that particular meeting.
- A quorum must consist of at least two members of the Committee.
- The Committee shall invite the audit partner to meetings together with senior Company executives, including the Chief Financial Officer, when required.
- The Committee will meet at least three times per year.
- Committee meetings may be held by telephone or other electronic means.
- One or more appropriate persons shall be appointed to act as secretary of the Committee who shall convene the meetings of the Committee as directed by the Chairman of the Committee and shall take the minutes of such meetings.
- In addition to verbal reports to the Board by the Chairman of the Committee, the minutes of the Committee shall be circulated to all Board members in a timely manner.
- The Committee shall meet as desired with the external auditor without management being present and the external auditor is also provided with the opportunity, at their request, to meet with the Board without management being present.

### 3. DUTIES AND RESPONSIBILITIES

The responsibilities and duties of the Committee are to:

- Review preliminary announcements of financial results prior to publication;
- Monitor compliance with all statutory and Australian Securities Exchange requirements for financial reporting;
- Seek written representations from the Managing Director and Chief Financial Officer in accordance with the Corporations Act and ASX Corporate Governance Principles that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results;
- Recommend to the Board the appointment of the external auditor, the terms of engagement and appropriate level of audit fees;
- Review the performance, effectiveness and competence of the external auditor and the rotation of the audit partner;
- Review the relationship of the external auditor with the Company to satisfy themselves as to the independence of the external auditor, monitor the level of non-audit services provided by the external auditor and review the external auditor's half yearly independence declarations;
- Discuss and agree the scope and effectiveness of the audit with the external auditor;
- Discuss the matters arising from the audit with the external auditor;
- Receive and review reports from the external auditor on significant issues arising from the audit of financial statements and on the Group's internal control environment;
- Approve the Internal Audit plan and assess the direction and performance of the internal audit function;
- Receive reports from the Corporate Governance and Compliance Committee and to assess the adequacy and effectiveness of the risk management framework and internal controls including the Corporate Governance and Compliance Program;
- Review and report to the Board on the effectiveness of the Group's management of risk, including systems for internal controls, covering financial and operational risks, non-financial and strategic risks and compliance controls;
- Review the processes for the identification, detection and prevention of significant fraud risks across the Company's businesses;
- Approve and review any significant amendments to the Company's Delegation of Authority arrangements;
- Enable co-ordination between the internal and external auditors and to ensure the internal audit functions are adequately and appropriately resourced and have suitable standing within the Group;
- Monitor the impact of any significant legal actions commenced against the Group and to note and ensure adequate and appropriate steps are taken to remedy any significant breaches of regulations, legislation and associated industry codes of practice;
- Review and assess the Charter of the Committee from time to time; and
- Report to the Board on all relevant matters within its terms of reference as may be required from time to time so that the Board can take any necessary action.