

## **CBA Board Audit Committee Charter**

### **1. Purpose and duties of the Audit Committee**

- 1.1. It is the policy of the Group to have an Audit Committee of the Board at all times.
- 1.2. The purpose of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities by providing an objective non-executive review of the effectiveness of the external reporting of financial information and the internal control environment of the Group, including obtaining an understanding of the financial, tax and accounting risks which face the Group. The Audit Committee is also responsible for the oversight of accounting policies, internal controls, professional accounting requirements, and APRA statutory regulatory requirements. The Board is ultimately responsible for these matters.

### **2. Composition**

- 2.1. The Audit Committee shall comprise at least three members. All members must be non-executive, independent directors and financially literate. Members should, between them, have the accounting and financial expertise and sufficient understanding of the financial services industry to be able to discharge the Committee's mandate effectively.
- 2.2. The Audit Committee Chairman may not be the Chairman of the Board. The term of each member will be determined by the Board through annual review. The Risk Committee Chairman will be a member of the Audit Committee and the Audit Committee Chairman will be a member of the Risk Committee to ensure the flow of relevant information between the two Committees.

### **3. Quorum**

- 3.1. The presence of one half of the members of the Audit Committee (rounded upwards if not a whole number) is necessary to constitute a quorum. No business may be transacted unless a quorum is present.

### **4. Meetings**

- 4.1. The Audit Committee will meet at least quarterly, and as required to undertake its role effectively. The Audit Committee will invite the external auditor and Group Auditor to all meetings of the Audit Committee. Members of management or others will be invited to attend meetings and provide pertinent information as necessary.
- 4.2. Minutes of the meetings will be circulated to all Directors for the next full Board meeting after each Audit Committee meeting and as appropriate, to attendees. Reports shall be made to the Board from the Chairman of the Audit Committee following each meeting of the Audit Committee.

### **5. Powers of the Audit Committee**

- 5.1. The Audit Committee has the power to call attendees as required, including having open access to management, auditors (external and Group auditors)

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with or without management present, and the right to seek explanations and additional information as necessary to fulfil its responsibilities.

- 5.2. The Audit Committee will meet from time to time with the Group Auditor and external auditor, without management or others being present.
- 5.3. Similarly, senior management and the Group Auditors and external auditors have free and unfettered access to the Audit Committee. The Group Auditor has a direct reporting line to the Audit Committee, whilst maintaining an administrative reporting line to the Chief Financial Officer.
- 5.4. The Audit Committee has the option, with the concurrence of the Chairman of the Board, to retain independent legal, accounting, or other advisors to the extent the Committee considers necessary at the Group's expense.

### **6. Duties and responsibilities of the Audit Committee**

- 6.1. The duties and responsibilities of the Audit Committee are as follows:

#### Financial reporting and internal control

- 6.1.1. Provide an independent review and approval of the Group's half and full year statutory reporting. Review key aspects of the Group's major market update presentations for the half and full year statutory reports. Receive written assurances from the external auditor that those presentations are consistent with audited statutory accounts.
- 6.1.2. Provide assurance to the Board that the Group has an adequate internal control framework and provide oversight of that framework.
- 6.1.3. Review the processes that are used to reach the opinions provided in the regulatory certifications of the Chief Executive Officer and Chief Financial Officer under Section 295A of the Corporations Act 2001, and management's report on risk management and internal control over financial reporting risks, including the disclosures made.
- 6.1.4. Oversee APRA statutory reporting requirements and provide an independent review of the Group's reporting under these requirements.
- 6.1.5. Oversee and monitor the resolution of significant internal control deficiencies reported by the Group Auditor and the external auditor.

#### Group Audit and External Audit

- 6.1.6. Recommend the appointment or, if necessary, the removal of the external auditor to the Board for approval by the shareholders.
- 6.1.7. Oversee and appraise at least annually the independence, adequacy and effectiveness of the external auditors (including the rotation of the external audit partner), and review and approve the external auditor's fee and terms of engagement.
- 6.1.8. Oversee and appraise at least annually the independence of the Group Audit function, provide feedback to management on its performance and obtain an external assessment on its adequacy and effectiveness at least once every five years, at the Committee's discretion.
- 6.1.9. Review the annual audit plans of the external auditors.
- 6.1.10. Approve the annual audit plans of the Group Auditor and all major changes to their plans, and oversee progress of their audit plans.
- 6.1.11. Periodically review and approve with the Group Auditor and management, the Group Audit & Assurance Charter.

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- 6.1.12. Review and advise, for the purposes of the directors' report to be included in the annual report, the provision of all non-audit services by or on behalf of the external auditor during the year to the Group, including whether those services comply with the statutory auditor independence requirements and the reasons why.
- 6.1.13. Review and approve the External Auditor Services Policy on an annual basis.
- 6.1.14. For non-audit services not listed in the External Auditor Services Policy, approve these services prior to the engagement of the external auditor. To facilitate timely dealings in these circumstances, this authority has been delegated to the Audit Committee Chairman with the Committee being formally advised of all approvals on a six monthly basis. For matters below certain agreed thresholds, the Audit Committee Chairman has further delegated this approval authority to the Deputy Chief Financial Officer.
- 6.1.15. Approve, on the recommendation of management, the appointment and, if necessary, the dismissal of the Group Auditor.

### Other responsibilities

- 6.1.16. Oversee annually the reporting of fraud or unethical behaviour activities under the Group whistle-blowing policy which allow employees and other relevant stakeholders to report any concerns about fraud, corruption, maladministration, serious or substantial waste, accounting or auditing irregularities or any breaches of law or internal policy, and review and assess the adequacy of management actions.
- 6.1.17. Advise the Remuneration Committee of any matters relating to financial outcomes that warrant consideration when the Remuneration Committee is reviewing:
  - the amount of incentives to be awarded to, and
  - the amount of deferred incentives or long-term incentives to be vested inthe Chief Executive Officer or Group Executives.
- 6.1.18. Consider significant issues raised at other Audit Committees in the CBA Group and respond as appropriate.
- 6.1.19. Review and assess annually the completion of the Audit Committee's responsibilities under the Charter and report such findings to the Board. Ensure any matters not appropriately dealt with are suitably actioned.
- 6.1.20. Review and assess annually the effectiveness of the Audit Committee as part of the annual Board effectiveness review. The findings should be considered by the Committee and the Board and actioned as appropriate.
- 6.1.21. Committee members must be available to meet with APRA upon request, within a reasonable timeframe.

## **7. Reliance on information or advice provided by others**

- 7.1. Each member of the Audit Committee may be entitled to rely on the executives of the company for matters that are the responsibility of those executives and on the advice of counsel and other experts, taking account of any legal requirements.

## **8. Amendments to this Charter**

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- 8.1. The Audit Committee may recommend to the Board any amendments to this Audit Committee Charter, with a review of the Charter's adequacy required at least annually.

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