

Global Infrastructure Hub Limited – Audit and Risk Committee Charter

Approved: 2 September 2015

Overview

1. The Board of Directors (the **Board**) of Global Infrastructure Hub Limited ACN 602 505 064 ABN 46 602 505 064 (**GIH**) has established an Audit and Risk Committee (the **Committee**) in accordance with its constitution.
2. This charter sets out the Committee's purpose, functions and responsibilities, composition and tenure, authority, reporting and administrative arrangements.
3. This charter has been approved by the Board.
4. Nothing in this Charter limits any powers or responsibilities of the Board.

Purpose

5. The Committee is to provide assurance and assistance to the Board on GIH's risk, control and compliance framework, and its external accountability responsibilities.
6. The functions of the Committee include reviewing the appropriateness of the Board's:
 - financial reporting,
 - performance reporting,
 - system of risk oversight and management, and
 - system of internal control,for GIH.
7. Additionally, the functions of the Committee include:
 - monitoring GIH compliance with the charter; and
 - providing a forum for communication between the directors of GIH, the Chief Executive Officer (the **CEO**), the Chief Operating Officer (the **COO**) and the auditors of GIH.

Functions and responsibilities

8. The Committee is directly responsible and accountable to the Board for the exercise of its functions. In carrying out its functions and responsibilities, the Committee must at all times recognise that primary responsibility for management of GIH rests with the Board.

9. The Committee's responsibilities are set out below.

Financial reporting

- 1) Review whether GIH's draft financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of GIH.
- 2) Review the appropriateness of the accounting judgments or choices exercised by management in preparing GIH's financial statements.
- 3) Provide advice to the Board on GIH's draft financial statements (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the Board.
- 4) Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control.
- 5) Consider the processes put in place with the intention to ensure that financial information included in GIH's annual reports is appropriate and consistent with the signed financial statements.
- 6) Review and make recommendations to the Board for approval of changes to accounting policies and treatments having an impact on external reporting.

Performance reporting

- 1) Review all external audit reports and provide advice to the Board on significant issues identified in those reports and GIH management actions taken on issues raised, including identification and dissemination of good practice.
- 2) Monitor GIH management's implementation of external audit recommendations.
- 3) Consider any issues relating to GIH's performance that the Committee considers warrant review, or are referred to the Committee by the Board.
- 4) Assessment of management processes supporting external reporting.

Risk management

- 1) Consideration and oversight of whether GIH has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of GIH's financial and business risks.
- 2) Consider whether GIH has a sound and effective approach to developing strategic risk management plans for major projects or undertakings and provide recommendations to the Board in this regard.

- 3) Consider the impact of GIH's risk management framework on its control environment and insurance arrangements.
- 4) Consider whether GIH has sound and effective business continuity planning arrangements in place and whether those arrangements have been tested periodically and complied with.
- 5) Consider GIH's fraud control arrangements and satisfy itself that GIH has appropriate processes and systems in place to capture and effectively investigate fraud related matters.

Internal control

- 1) Consideration and oversight of whether GIH's approach to maintaining an effective internal control framework (including delegations), including over external parties such as contractors and advisors, is sound and effective.
- 2) Consider whether appropriate processes are in place to regularly assess whether policies and procedures relating to the company's internal control framework are complied with.
- 3) Consideration and oversight of whether appropriate policies and procedures are in place for the management and exercise of delegations.
- 4) Consider how GIH identifies any required changes to the design or implementation of internal controls.
- 5) Consider and provide advice on whether GIH has taken steps to embed a culture which is committed to ethical and lawful behaviour and make recommendations for improvement where required.
- 6) Consider whether management has appropriately considered legal and compliance risks as part of GIH's risk assessment and management arrangements.
- 7) Consideration and oversight of GIH's insurance portfolio.
- 8) Review regular reports on all litigation and claims and advise the Board in respect of any material legal risks.
- 9) Oversight and consideration of the effectiveness of the system for monitoring GIH's compliance with relevant laws and regulations.

Other functions

- 1) Act as a forum for communication between GIH directors, senior management and the GIH auditor.
- 2) Undertake other activities related to its functions as requested by the Board.
- 3) Recommend special investigations as considered necessary.
- 4) Monitor the performance and review the compensation of the GIH auditor, and ensure that the audit fee is neither excessive, nor insufficient, to enable an adequate audit to be performed for the fee.

- 5) Advise the Board on the appointment, independence, performance or replacement of the auditor.

Composition and tenure

10. The Committee must consist of at least two members appointed by the Board. If there are two members, all must be non-executive independent directors of GIH. If there are more than two members, all must be non-executive directors of GIH and a majority of must be independent directors.
11. The Chair of the Committee, who is appointed by the Board, must be an independent director who is not Chair of the Board.
12. Subject to any limits in the GIH constitution, members of the Committee are appointed for an initial period of two years after which they are eligible for extension or re-appointment. The terms of the members will coincide with their terms on the Board. If a director ceases their directorship then they also cease to be a member of this Committee.
13. The CEO and COO must not be members of the Committee but have a standing invitation to attend each meeting. Directors of GIH who are not members of the Committee, as well as representatives of the GIH auditor, are also to be invited to attend. The CEO or Committee may also request other senior GIH employees attend Committee meetings or participate in certain agenda items.
14. A director of GIH who is not a member of the Committee may appoint an observer to attend a Committee meeting on his or her behalf. An observer may report the outcomes of the meeting to the director and, if authorised by the director, convey any views of the director on the matters to be discussed at the meeting. Such an observer does not have a vote and the members of the Committee are not required to comply with or take into consideration any views expressed by an observer.
15. Members must have appropriate qualifications, knowledge, skills or experience to assist the Committee to perform its functions.

Members' responsibilities

16. Members are expected to:
 - contribute the time needed to study and understand the papers provided;
 - apply good analytical skills, objectivity and good judgment; and
 - express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry.

Conflicts of interest

17. Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

18. Where a member or observer at a Committee meeting is considered to have a real, or perceived, conflict of interest, it may be appropriate that they are excused from Committee deliberations on the issue where the conflict of interest exists.

Authority

19. The Board authorises the Committee, within the scope of its role and responsibilities, to:
- obtain any information it needs from any employee or external party;
 - discuss any matter with GIH's auditor, or other external parties (subject to confidentiality considerations); and
 - request the attendance of any employee at Committee meetings.
20. Any individual Committee member, with the prior approval of the Board, is entitled to obtain independent professional or other advice at the expense of GIH where they consider it necessary to carry out their duties.

Reporting

21. A copy of the minutes for each Committee meeting is to be forwarded to the next Board meeting for the Board's information and possible comment.
22. The Committee may, at any time, report to the Board any matter it considers of sufficient importance to report. In addition, at any time an individual Committee member may request a meeting with the Chair of the Board.

Administrative arrangements

Meetings

23. The Committee will meet at least three times a year. A special meeting may be held to review GIH's annual financial statements. The Chair may call additional meetings if, in their view, the weight of business or any special issue requires an additional meeting.
24. The Chair is required to call a meeting if asked to do so by the Board, CEO, COO, another Committee member or GIH's auditors.
25. A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all of the Audit Committee's responsibilities, as detailed in this charter.

Attendance at meetings and quorum

26. A quorum will consist of a majority of Committee members.
27. Meetings can be held in person, by telephone or by video conference.

Secretariat

28. The Company Secretary will provide secretariat support to the Committee.

29. The Company Secretary will:
- be responsible, in conjunction with the Chair of the Committee, for drawing up the agenda;
 - ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting;
 - prepare and keep the minutes of Committee meetings and circulate them in draft to Committee members within two weeks of a meeting;
 - be responsible for making the updated minutes available to members with the next meeting's papers;
 - ensure that actions arising out of each committee meeting are followed up by the person nominated by the Committee to undertake that action; and
 - be responsible for informing the Chair of the status of a requested action arising out of a Committee meeting.

Induction

30. New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

Assessment arrangements

31. There shall be a review of the performance of the Committee at least once every three years.
32. The review will be conducted on a self-assessment basis (unless otherwise determined by the Board) with appropriate input sought from the Board, the CEO, COO, the GIH auditor, management and any other relevant stakeholders, as determined by the Board.

Review of charter

33. The Committee will review this charter as part of the assessment of its performance (or earlier if required).
34. Any substantive changes to the charter will be recommended by the Committee for consideration for approval by the Board.