

# Investa Management Holdings Pty Limited

ACN 126 219 903

## Charter of Audit & Risk Committee

Approved by the Investa Management Holdings Pty Limited Board on 30 August 2023.

Investa Management Holdings Pty Limited (**IMH**) is the head company of the Investa Management platform.

IMH is ultimately jointly owned by:

- ICPF Holdings Limited (**ICPFHL**) which, together with the Investa Commercial Property Fund (**ICPF**), comprises the stapled entity known as Investa Property Group (**IPG**) and
- Oxford Properties Group (**Oxford**).

IMH and its subsidiaries (together, **Investa**) operate a management platform that provides investment, property, development and asset management services to the investment portfolios of managed investment schemes and private mandates. The services provided by the management platform include the commercial property and residential build-to-rent sectors.

The Audit & Risk Committee (the **Committee**) is a committee of the Board of IMH (**IMH Board**). This Charter is overseen by the Committee and extends to all activities of IMH and its subsidiaries.

### 1. Overall Purpose/Objectives

The Committee reports to and will assist the IMH Board in discharging its responsibilities in relation to risk management, compliance, health, Safety & environment, sustainability, financial reporting, the external auditor and internal audit.

The Committee will report to the IMH Board and assist the IMH Board and its committees in advising on issues relating to the matters set out above so they can fulfil their oversight responsibilities and take such action as they consider appropriate.

In performing its duties, the Committee will maintain efficient and effective working relationships with the Board and its committees, as well as those of other Investa entities, including the Group Audit, Risk and Compliance Committee (**GARCC**) of the boards of IPG, management, external consultants, the external auditors and the internal auditor.

To perform his or her role effectively, each Committee member will maintain an understanding of the detailed responsibilities of Committee membership as well as Investa's business, operations and risks.

### 2. Authority, access to resources and independent advice

The Board has authorised the Committee, within the scope of its responsibilities, to:

- Make recommendations to the Board;
- Seek any information it requires from:
  - any employee of Investa (and all employees are directed to cooperate with any request made by the Committee); and
  - external parties;
- Obtain external legal or other professional advice;
- Ensure the attendance of company officers at meetings as appropriate;
- Investigate other matters as requested by the Board from time to time, and if necessary, institute special investigations and hire special counsel or experts to assist;
- Approve the appointment, replacement or dismissal of the Internal Auditor; and
- Approve policies as determined by the Board.

In the first instance the Chair (or committee members) will contact the Company Secretary of IMH or Chief Legal and Risk Officer to assist coordination of the above.

Investa is responsible for providing new members with an appropriate induction program, updates, reports and training related to the scope of the ARC

### **3. Organisation and Reporting**

#### **3.1 Membership**

- The Committee will comprise at least two non-executive directors of IMH as members, at least one of whom has accounting or related financial expertise.
- The Chairman and members of the Committee will be appointed by the IMH Board, subject to consultation with ICPFHL and Oxford, noting that each of ICPFHL and Oxford has the right to appoint at least one nominee member to the Committee.
- The Chairman of the Committee need not be an employee or a Director of an Investa entity but will be a director of the IMH.

#### **3.2 Attendance**

- The Committee may invite such other persons to its meetings, as it deems necessary.
- Directors of IMH have a standing invitation to attend meetings but will have no voting rights unless they are a Committee member.
- The External Auditor and the Internal Auditor may be invited to make presentations to the Committee or to attend meetings as appropriate (though not necessarily for all meetings or agenda items).

#### **Meetings**

- Meetings will be held not less than four (4) times a year. Special meetings may be convened as required. The External Auditor or the Internal Auditor may request a meeting if they consider that it is necessary.
- A quorum for any meeting will be two (2) members.
- Resolutions will be adopted by simple majority, or, where there are only two members, unanimous.
- IMH's Company Secretary or their nominee, will act as the secretary to the meetings and will prepare minutes and resolutions which will be circulated as soon as practicable.
- The ARC will establish an annual work plan which will inform each meeting agenda. The annual plan will cover matters aligning to the Roles and Responsibilities under the ARC Charter.

#### **3.4 Reporting Responsibilities**

The Committee will:

- Regularly report to the IMH Board about its activities and give advice and make recommendations where appropriate or otherwise when requested by the Board.
- Ensure the Board is aware of matters, within its oversight, which may:
  - significantly impact the financial condition or affairs of the business;
  - give rise to a significant environmental or safety matters under the relevant applicable legislation (including significant legislative change); or
  - require reporting to an external party and/or regulatory body with regard to an incident or breach of legislation.

#### **3.5 Review**

The Committee will:

- review and update the Charter at least annually subject to approval of changes from the IMH Board; and
- evaluate the Committee's own performance on a regular basis.

### **4. Roles and Responsibilities**

#### **4.1 Risk Management and Compliance Monitoring**

The active identification of risks and the design and implementation of the risk management policy and framework are responsibilities of management. The Board is responsible for reviewing and approving Investa's risk management policy and framework.

The Board is assisted in its risk oversight function by the Committee. The Committee will critically evaluate the effectiveness of the risk management system and controls, including by:

- Reviewing the implementation of the risk management policy and framework approved by the Board;
- Considering policies which address risks;
- Considering whether management has effectively implemented, and maintained an adequate compliance management framework, including internal controls, issues management and reporting frameworks for compliance with regulatory requirements and adopted industry standards; and
- Considering appropriateness of insurance coverage for residual risks.

The Committee will:

#### ***Risk management framework***

- Review at least annually Investa's risk management policy and framework and make recommendations to the Board for any changes and/or approval;
- Review at least annually the adequacy and effectiveness of Investa's risk management system and internal control system to manage material business risks; that all significant risks are identified, evaluated, managed, monitored and communicated and that Investa is operating with due regard to the risk appetite set by the Board;
- Monitor reporting to the Board:
  - at least quarterly - the risk profile including strategic, reputational, operational, health and safety, environment, and compliance or governance risks and any material exposures to those risks;
  - at least quarterly, risk management reports of compliance with risk appetite, including mitigation measures;
  - at least quarterly, any extreme and high risks along with management's proposed action plans;
  - at least annually, reports from Management in relation to top or emerging risks; and
  - at least annually, reports from Management in relation to setting risk tolerance and appetite.

#### ***Policies***

- At least annually, review Investa platform policies relating to risk and control and make recommendations to the Board for approval of any new policies or substantial changes recommended to existing policies.

#### ***Compliance***

- Have oversight of and review the adequacy of internal controls through, at least quarterly, review of risk incidents and internal audit report findings, monitoring timely implementation of agreed action plans;
- Have oversight of and monitor compliance with regulatory obligations through, at least quarterly, the review of reports and receipt of assurances to confirm appropriate controls are in place to monitor and confirm compliance with regulatory obligations and updates regarding regulatory changes and management plans to accommodate these.
- Review the business continuity plan (BCP) including physical and IT arrangements to support the plan and at least annually receive reports on testing conducted on the BCP.
- Receive regular updates regarding taxation matters affecting Investa including in relation to compliance with taxation obligations, dealings with the ATO and other matters as requested by the Committee or considered appropriate by Management.

#### ***Insurance***

- Review Management's recommendation of the selection and appointment of Investa's insurance broker;
- Review the adequacy of Investa's insurance program having regard to Investa's business and the insurable risks associated within its business (including adequacy of Directors and Officers insurance) and make recommendations to the IMH Board in relation to the renewal of Investa's insurance program;

## **4.2 Work Health & Safety and Environmental compliance**

The Committee will inform itself in relation to Investa's obligations in relation to work health and safety (**WHS**) matters and monitor the effectiveness of compliance with WHS legislation including by:

- Acquiring and maintaining up to date knowledge of WHS matters;
- Understanding the nature of Investa's business (Business) and the hazards and risks of the Business;

- Understanding the availability and use of appropriate resources and processes to eliminate or minimise risks to health and safety;
- Reviewing the Business processes for receiving and considering information regarding incidents, risks and hazards;
- Reviewing any material procedures and processes for compliance by the Business with any duty or obligation under the WHS legislation; and
- Requiring verification by the Business of the provision and use of the resources and processes referenced above.

The Committee will also inform itself in relation to Investa's obligations to monitor the effectiveness of compliance with Environmental legislation.

Specifically the Committee will:

- At least annually, review the Safety, Health and Environmental Management Systems and targets, objectives and indicators and make recommendations to the Board on actions and activities to be applied to Investa operations;
- At least every 6 months, review the Safety, Health and Environmental Management System reports and report to the Board;
- Review the results of Safety, Health and Environmental Management System external audits and reviews and monitor that recommendations are implemented on a timely basis;
- Review significant safety and environmental issues, consider their impact on the sustainability of Investa's operations and monitor appropriate inclusion in risk management processes;
- Monitor that management promptly inform the Board of any incidents, risks and hazards which arise and provide appropriate and relevant information relating to the management of any such incident, risk or hazard;
- Keep the Board regularly informed regarding the above matters, including but not limited to when there are any changes or new developments including but not limited to changes to legislation, case law, guidance materials, applicable standards and regulator action.

### **4.3 Sustainability performance and reporting**

The Committee will inform itself of Investa's sustainability obligations and have oversight of key sustainability initiatives and reporting.

The Committee will:

- At least annually, review the Investa sustainability strategy and related strategic initiatives.
- Oversee the status of delivery of key sustainability strategic initiatives which may include the Investa climate resilience strategy and disclosures relating to Taskforce on Climate-Related Financial Disclosures (TCFD), Reconciliation Action Plan, Thriving Communities; human rights and modern slavery; sustainable finance and responsible investment initiatives;
- Review significant sustainability issues and understand their impact on the sustainability of Investa's operations and monitor appropriate inclusion in risk management processes;
- Review management reports on risks and opportunities in connection with Investa's sustainability initiatives, commitments, including performance, with a view to having oversight of management's assessment of social and environmental impacts;
- Review information to be released externally such as sustainability reports, sustainability policies and statements (including in relation to human rights, modern slavery and climate disclosure) presented by management, including support for forward looking statements and verification processes for factual information; and
- Keep the IMH Board regularly informed regarding the above matters, including recommending approval of sustainability reports, sustainability policies and statements.

### **4.4 Financial Reporting**

In relation to the financial reports of IMH and its subsidiaries, the Committee will:

- Review recommendations from the Chief Financial Officer and external auditors on significant accounting and reporting issues, including relevant reports from external consultants. In doing so consider matters including:
  - the appropriateness of accounting policies applied in the financial statements for IMH and its subsidiaries

- recent professional and regulatory guidance, related party transactions, legal matters (including relevant external legal advice obtained by management),
- any fraud, illegal acts, deficiencies in internal control or other similar issues,
- complex and/or unusual transactions such as restructuring charges and derivative disclosures (if applicable),
- judgmental areas such as those involving valuation of assets and liabilities, recoverability of debtors, valuation of management rights and CGU, product or environmental liability, litigation costs and other commitments and contingencies.
- Receive, on request, a presentation from a qualified valuer on valuation issues relevant to IMH or the role of the Committee, such as valuation of management rights.
- Review the Half Year (if relevant) and Annual Financial Reports and determine whether they are complete and consistent with the information known to Committee members;
- Meet with management and the External Auditors to review the financial statements and the results of the audit; and
- Recommend to the relevant Board the adoption of the financial reports.

#### **4.5 External Financial Audit**

- Review the External Auditor's proposed audit scope and approach, ensuring no unjustified restrictions or limitations have been placed on the scope, and review the proposed remuneration, and make recommendations to the Board.
- Review the performance and effectiveness of the External Auditors.
- Review at least annually the Investa Independence policy, independence of the External Auditor, including the firm's policies and procedures in respect of independence and receive their independence declaration at each half year or year (as appropriate), the range of services provided by the External Auditor and the quantum of fees involved, including the nature, scope and approach to individual assignments and the total external audit fees.
- Make recommendations to the Board regarding the appointment, rotation and termination of External financial audit partner, review partner and the compliance plan audit partner (as relevant), following consideration of rotation policies (preference for five years, but allowance to seven years), staggering of rotation, experience, qualifications and result of interviews and references.
- Meet separately with the External Auditors to allow discussion of any matters that the Committee or External Auditors believe should be discussed privately.
- Consider the significant findings and recommendations made by the External Auditors, management responses and actions taken on a timely basis.

#### **4.6 Internal Audit**

The internal audit function is fulfilled by an employee of IOM (the Internal Auditor) with the assistance as and when required by internal secondments and external service providers.

The Committee will:

- Review and approve the annual internal audit plan, considering the process to develop the plan taking into account the financial and operating risks facing Investa, the responsible entities and the externally managed investment schemes and mandates managed by Investa and the co-ordination of audit activity between the Internal Auditor and other assurance providers;
- Review and approve the Internal Audit Charter;
- Review the reports of the Internal Auditor and consider management's responses to such reports;
- Ensure timely implementation of recommendations arising from the Internal Audit reports;
- Meet separately on a regular basis or otherwise on request with the Internal Auditor to allow discussion of any matter/s that the Committee or the Internal Auditor consider should be discussed privately;
- Review at least annually the:
  - effectiveness of the internal audit function and ensure there are no unjustified restrictions or limitations placed on the internal audit activity;
  - the adequacy of the internal audit resources (quantity, qualifications, structure, etc.); and

- the performance of the Internal Auditor.
- Review and agree the appointment, replacement or dismissal of the Internal Auditor.