



Clime Capital Limited

AUDIT COMMITTEE CHARTER



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The Board of Clime Capital Limited (“Company”) has established the Audit Committee in accordance with ASX Listing Rules and the ASX Corporate Governance Principles and Recommendations.

This Charter sets out the Audit Committee’s objective, authority, composition and structure, roles and responsibilities, reporting and administrative arrangements.

Objective

The objective of the Audit Committee is to provide independent assurance and assistance to the Board of the Company on its risk, control and compliance framework and its external accountability responsibilities.

Composition and Structure

The Audit Committee must comprise of at least two members, all of whom will be Non-Executive Directors, who are independent of the management of the Company. The Chairman of the Committee will be appointed by the Board from time to time. Due to the size and structure of the Board, and considering the number of Non-Executive Directors, it will not always be practicable for the Chairman of the Audit Committee to be both independent and someone other than the Chairman of the Board.

Members will be selected on the basis of their appropriate skills and at least one member will be financially literate. A quorum for any meeting will be two members of which two shall be Non-Executive Directors. The Company Secretary will attend Audit Committee meetings and keep minutes.

Authority

Within the limits of this Charter, the Audit Committee may make determinations about matters for which it is responsible.

The Audit Committee may require executives of the Company, and/or officers and staff of the Investment Manager, to attend meetings and/or to provide advice or information.

Audit Committee members have a right of access to the Company’s financial records and may, with the prior approval of the Board, have the right to obtain legal or other specialist advice in relation to the Committee’s affairs at the Company’s expense.

Responsibilities

The responsibilities of the Audit Committee are as follows:

- Review the Company’s financial reporting processes, internal control and management of financial, business and investment risks (risk management);
- Evaluate the processes in place, including communication to and training of executives, to ensure internal control, compliance with codes of conduct and the management of risk;
- Review the annual and half-year financial statements and determine whether they are complete, consistent with Committee members’ understanding of the business and reflect appropriate accounting principles and satisfy themselves that any announcements and interim financial statements contain adequate and appropriate disclosures;
- Review the external auditors’ proposed audit scope and approach and ensure that no unjustified restrictions or limitations have been placed on that scope. Review the performance of the external auditors. Ensure that significant findings and recommendations made by the external auditors are received, discussed and acted on by the executives of the Company on a timely basis;
- Review the independence of the external auditors, taking into account the length of service and the provision of non-audit services. Make recommendations to the Board regarding the reappointment of the external auditors;
- Review the provision of non-audit services by the external auditors to ensure independence; and
- Review the Company’s processes for ensuring compliance with laws and regulations. Be satisfied that all regulatory compliance matters have been considered in the preparation of financial statements.

Procedures

The Audit Committee should meet at least two times per year. Additional meetings may be convened by the Chairman or the external auditors as they see fit. The external auditors will be asked to make presentations to the Audit Committee at least twice a year. All meetings will be minuted.

Reporting Relationships with the External Auditor

The external auditor shall communicate directly with the Audit Committee. This should not be taken to deny the right of the external auditor to communicate with the other Directors and executives of the Company, nor of its right to communicate with the Investment Manager.

The Audit Committee shall be provided with engagement letters, management letters or other reports from the external auditor at the same time as they are provided to Company executives (but, other than in exceptional circumstances, shall not pursue enquiries until Company executives have had an opportunity to respond to the draft letter or reports).

The Chairman of the Audit Committee shall provide opportunities for the external auditor to meet with the Audit Committee without executives of the Company, or officers and staff of the Investment Manager, being present.



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