



# Board Audit Committee Charter

8 December 2023



## 1. Role

- 1.1 The Board Audit Committee assists the Board of Washington H. Soul Pattinson and Company Limited ('Soul Patts', the Company) to discharge its responsibility for oversight and review of:
- a. the external reporting of financial information for Soul Patts, including compliance with statutory financial reporting requirements;
  - b. the external auditors;
  - c. the adequacy of internal controls in relation to accounting, financial records and financial reporting requirements, including referring matters relating to the duties and responsibilities of other Board Committees to the relevant committee; and
  - d. the Group's internal auditors and internal audit program (where relevant).

## 2. Responsibilities

To accomplish its role, the Committee has the following responsibilities.

### External audit

- 2.1 Recommend the appointment or removal of the External Auditor to the Board for shareholder approval.
- 2.2 Review and recommend to the Board the rotation of the lead external audit partner of the External Auditor.
- 2.3 Review the engagement of the External Auditor, including:
- a. the External Auditor's annual audit plan and any significant changes;
  - b. the fees proposed by the External Auditor, including whether an effective audit can be conducted for this fee;
  - c. the qualifications, expertise, resources and performance of the External Auditor; and
  - d. the performance of the External Auditor.
- 2.4 Review the independence of the External Auditor against relevant auditor independence requirements arising under legal, regulatory, and accounting requirements.
- 2.5 Approve Soul Patt's External Auditor Independence policy and review proposals to engage the External Auditor for non-audit services in accordance with the policy.
- 2.6 Review all reports issued by the External Auditor, assessing the findings and recommendations and management action in response to the findings and recommendations.



## Financial Reporting

- 2.7 Review and recommend to the Board for approval the half year and full year financial statements of the Group and any accompanying reports, having considered the External Auditor's report on the audit or review of the financial statements, key audit matters raised and the opinions in representations provided by the CEO and CFO.
- 2.8 Review significant accounting and financial reporting issues and judgements, complex or unusual transactions, and consistency in the application of accounting policies for the WHSP Consolidated Group<sup>1</sup> including the appropriateness of significant judgements made by management in the preparation of the financial statements.
- 2.9 Oversee and monitor accounting and tax risks, including:
- a. Annually reviewing the Tax Governance Framework
  - b. Annually reviewing and approving the Tax Transparency Report
  - c. Reviewing updates from management on changes to accounting standards and regulatory requirements
  - d. Review significant current and emerging tax matters and tax risks.

## Internal Controls

- 2.10 Review the adequacy of WHSP's policies and controls relating to financial reporting and financial regulatory reporting, including compliance with applicable laws, regulations and accounting standards, taking into account reports from the External Auditor and management.
- 2.11 Review the appointment, removal and performance of Internal Auditors; and
- 2.12 Review reports of internal audits undertaken and the adequacy of management's investigation and remediation.

## Other

- 2.13 Consider any complaints and regulatory correspondence relating to accounting, internal accounting and financial reporting controls as well as internal or external audit matters.
- 2.14 Annually review the Committee's Charter and the performance of the Committee in meeting its responsibilities.

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<sup>1</sup> The Consolidated Group refers to Washington H Soul Pattinson and Company Limited and its controlled subsidiaries.



### **3. Standing Delegation**

- 3.1 The Committee Chair is delegated authority to approve non-audit services in accordance with the External Auditor Independence Policy and will report any exercise of the delegation at the Committee's next meeting for ratification.

### **4. Composition and membership**

- 4.1 The Audit Committee shall comprise of at least three members, who must be financially literate and are non- executive directors. A majority of Committee members must be Independent Directors. An Independent Director is a Director who has been determined by the Board to be independent in accordance with the Board's definition of Independence.
- 4.2 The Chair of the Committee should have significant accounting and financial expertise. The Audit Committee Chair should not be the Chair of the Board.
- 4.3 The Company Secretary or their nominee will act as the Secretary to the Committee.

### **5. Meetings**

- 5.1 Audit Committee meetings may be attended by the members of the Board and the engagement or audit partner of the external auditor of WHSP. The Chief Executive Officer and the Chief Financial Officer of WHSP may attend meetings by standing invitation.
- 5.2 The Committee Chair, or their nominee, will report to the Board after each meeting of the Committee
- 5.3 Each member of the Committee will have one vote and questions will be decided by a majority of votes. In the case of an equality of votes, the Chair of the Committee will have a second or casting vote, provided more than two of the members present are entitled to vote.

#### **Frequency**

- 5.4 The Committee must meet at least four times each year and as often as required to effectively fulfill its duties.

#### **Quorum**

- 5.5 A quorum will comprise three members of the Committee.

#### **Secretary**

- 5.6 The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of supporting papers.



## 6. Access and advice

- 6.1 The Committee or the Committee Chair will meet with the external and internal auditors without members of management being present at least twice each year and whenever considered appropriate by the Committee Chair. The Committee may seek explanations and additional information from the internal/external auditor as and when required.
- 6.2 The Committee may meet with management and seek explanations and additional information as and when required.
- 6.3 The Committee is authorised to take advice from external parties as appropriate at WHSP's expense. The external auditors will have direct and unfettered access to the Committee and to the Board.

## 7. Reporting

- 7.1 The Committee shall provide regular reports to the Board. These reports shall contain all matters relevant to the Committee's responsibilities.
- 7.2 Copies of the minutes of each Committee meeting will be provided to the Board.

Version	Approved	Date
1	Approved by the Board	14 April 2021
2	Revised and Approved by the Board	8 December 2023