

## Audit Committee Charter

This Audit Committee Charter (**Charter**) describes the Audit Committee's (**Committee**) role as a Committee of the Board of Fleetwood Limited (the **Company** or **Fleetwood**).

### 1 Role

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The Committee will assist the Board to fulfill its responsibilities to oversee financial reporting, internal control structure and the external audit function.

The Audit Committee will work with the Risk Committee to assist the Board in fulfilling its responsibilities for ensuring sound management of risk and compliance across Fleetwood.

### 2 Responsibilities

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The Committee's main responsibilities are to:

#### External reporting

- Oversee the external reporting process.
- Review the adequacy of the Company's accounting policies and principles and any significant estimates and judgments adopted by management in the preparation of external reports.
- Review the adequacy of the Company's corporate reporting processes and internal control framework.
- Review representations made by management in relation to external reporting, including declarations from the CEO and the CFO about financial statements as recommended in the ASX Corporate Governance Principles and Recommendations.
- Review whether the Company's 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 the Company.
- Review the processes used by management to monitor and ensure compliance with laws, regulations and other requirements relating to the preparation of accounts and external financial reports.
- Review information from external auditors that may affect the quality of financial reports.
- Recommend to the Board whether external financial reports should be approved.
- Interview or otherwise obtain information from management in relation to:
  - any changes in accounting policies or their application during the reporting period;
  - whether the methods chosen by management are consistent with relevant accounting standards;
  - the methods used to account for unusual transactions, for which there may be no specific accounting standard, including management's reasoning in determining that method; and
  - the method and process used in making material estimates and judgments, including management's reasoning in determining that method.

#### External audit

- Review the adequacy, expertise and independence of the external auditor.
- Make recommendations to the Board about the appointment, reappointment or replacement, remuneration, tenure and terms of engagement of the external auditor (for both audit and non-audit services). In this regard, the Committee will review any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.



- Review the external auditor's engagement and performance annually, having regard to relevant legislative and regulatory requirements.
- Ensure there is unfettered access for the external auditor to raise matters directly with the Board or the Committee, including inviting the external auditor to attend the Committee's meetings to present the audit plan, discuss audit results and consider the implications of external audit findings.
- Ensure that the external auditor attends the Company's annual general meetings and is available to answer questions from shareholders relevant to the audit.
- Regularly review the scope and adequacy of the external audit to ensure that it covers all material risks and financial reporting requirements.
- Monitor management's responsiveness to, and appropriate and timely resolution of, the external auditor's findings and recommendations, including whether there have been any significant disagreements between the external auditor and management.
- Review all representation letters provided to the external auditor by management and satisfy itself that the information provided is complete and appropriate.
- At least annually, meet with the external auditor without the presence of management.

#### Internal audit

- Oversee any internal audit function implemented by the Company from time to time.

#### Other responsibilities

- Review any other matter referred to the Committee by the Board.

### **3 Committee Members**

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The Board will appoint at least three Directors to the Committee and the majority will be independent Directors.

The Chair will be appointed by the Board and will be an independent Director and not the Chair of the Board.

The Board will strive to ensure that Committee members have appropriate expertise, and a sufficient understanding of the Company's industry, to be able to discharge their role effectively.

The Committee's composition will be reviewed on an annual basis by the Board. However, the Board may in its discretion, remove and replace any of the Committee's members at any time.

### **4 Committee Meetings**

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The Committee will meet at least twice annually and more frequently if determined appropriate by the Chair of the Committee or the Board. A quorum for a meeting of the Committee is two members.

The Committee's meetings will be regulated in accordance with the Constitution of the Company.

Administrative support will be provided to the Committee by the Company Secretary.

The MD & CEO, the CFO and the external auditor may attend any of the Committee's meetings.

The Committee may invite any Director or senior executive of the Company or any external consultant or adviser to attend the Committee's meetings.



## **5 Authority of the Committee**

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The Chair will report to the Board and, if appropriate, make recommendations to the Board after each Committee meeting, concerning matters dealt with by the Committee.

The Committee has wide ranging powers to seek information, reports and explanations from the Company, including to question any employee of the Company and any Director, consultant, contractor and internal or external auditor or person who for the time being is acting in any of those positions or performing those functions in respect of any matters it considers relevant or incidental to the discharge of its responsibilities.

The Committee has the power to consider and to use whatever forum is conducive to producing appropriate and truthful results of its enquiries having regard to the proper, adequate and competent discharge of its responsibilities.

Notwithstanding the above, the Committee shall be mindful of and shall protect the rights of employees of the Company in the exercise of its powers. In so doing, the Committee may give to any employee any undertaking that it considers necessary, desirable and in the best interests of the Company as a whole. The Committee may also determine that such enquiries are to be conducted “in camera” and may exclude the attendance of any person, except an independent member of the Committee, if it is the Committee’s view that this method is necessary, or likely to be necessary, and in the best interest of the Company as a whole.

The Committee’s powers are investigative and advisory only. The Committee will have no power to make determinations on behalf of the Company but will make recommendations to the Board on matters for Board determination.

If the Committee considers it necessary or appropriate to do so, it can retain external consultants or advisers to provide advice and/or reports in discharging its responsibilities.

## **6 Review**

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The Committee will review the Charter each year to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of Fleetwood and the Committee.

This Charter has been approved by the Board and may be reviewed and amended by the Board at any time.

