



COVENTRY GROUP LTD
ABN 37 008 670 102

BOARD AUDIT AND RISK COMMITTEE
CHARTER

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1. Designation

Board Committee

2. Reports To

Board of Directors

3. Role

The Board Audit and Risk Committee (“the Committee”) has been established by the Board of Coventry Group Ltd. The primary objective of the Committee is to assist the Board in discharging its responsibilities in relation to financial reporting, legal compliance requirements and risk management of Coventry Group Ltd and its related entities (the Group).

This objective will be achieved by the Committee ensuring:

- reliable external financial reporting – oversee the processes of the Company that ensure financial accounts and statements, approved and published by the Board from time to time, are complete and timely;
- effective management of corporate risks – oversee the internal controls, policies and procedures which the Company uses to identify and manage business risks;
- maintenance of effective and efficient audits – oversee the Company's relationship with the external auditors as well as the internal auditor; and
- compliance with laws and regulations – oversee the policies and procedures for ensuring compliance with relevant regulatory and legal requirements.

4. Composition

The Committee will consist of at least three (3) non-executive directors. The majority of the Committee will be independent directors, as determined by the Company's Board Charter. The Committee will be chaired by an independent director and who will not be the Chairman of the Board. At least one member of the Committee will have financial expertise and all members are required to be financially literate. Annually the Board will review the composition of the Committee.

5. Membership

- 5.1 The Board will appoint the members of the Committee and nominate one of them to be the Chairman of the Committee.
- 5.2 The following officers will attend meetings at the invitation of the Chairman and, if they are not available, will be represented by nominees approved by the chairman of the Committee.
 - Chief Executive Officer
 - Head of Internal Audit
 - External Auditor
 - Chief Financial Officer

The chairman may request any other officer of the Company to attend from time to time.

6. Duties and Responsibilities

The duties and responsibilities of the Committee are:

6.1 Reliable external financial reporting

6.1.1 To monitor the procedures in place to ensure that the Company's external financial reporting is in compliance with the Corporations Law, Accounting Standards and other legislative and reporting requirements. In relation to this the Committee shall:

- Review and assess the appropriateness of accounting policies and principles
- Review and assess any significant estimates and judgements in financial reports
- Upon receipt of information from management relating to accounting policy choice or method for making significant judgements, seek the opinion and view of both internal and external auditors.
- Review and assess information from internal and external auditors that may affect the quality of financial reports.
- Review and assess documents and reports to regulators and make recommendations to the Board on their approval or amendment.

6.2 Maintenance of an effective and efficient audit (ie, external and internal).

6.2.1 To make recommendations on the appointment of the external auditor and to monitor the effectiveness and independence of the external auditor.

6.2.2 To ensure the scope of both internal and external audit is adequate and emphasis is placed on areas where the Committee, management or the auditors believe special attention is necessary.

6.2.3 To ensure there have been no unjustified restrictions or limitations placed on the auditors.

6.2.4 To review the efficiency and effectiveness of both the internal and external auditors in relation to their respective responsibilities.

6.2.5 To review the internal auditor's mission, charter and resources and to ensure the internal audit department is staffed with appropriately qualified personnel.

6.2.6 To review internal and external audit reports to ensure that if material deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management.

- 6.2.7 To review and assess non-audit service provision by the external auditor, with particular consideration to the potential for the provision of these services to impair the external auditor's judgement or independence.
- 6.2.8 To review and make recommendations on the external auditor's audit fee. In addition to reviewing the audit fee, the Committee should review and assess total fees paid to the external auditor, considering in particular fees for non-audit services and these fees as a proportion of total fees.
- 6.3 Effective management of corporate risks
 - 6.3.1 To be satisfied that effective systems of accounting, legal and internal control are established and maintained to manage corporate risk.
 - 6.3.2 To be satisfied that internal audit has appropriate involvement in corporate risk assessment.
 - 6.3.3 To ensure that the Company has an effective risk management system in place, including for macro risks, and that the Committee assesses this system.
 - 6.3.4 To ensure the Board is aware of any matters that might have a significant impact on the financial condition of the Company.
 - 6.3.5 To review reports on any major defalcations, frauds and thefts from the Company and to ensure that internal control procedures are adequate.
 - 6.3.6 To review the accounting and financial impact of significant transactions and projects which are not a normal part of the entity's business.
 - 6.3.7 To review proposed transactions between the Company, its directors and members of management with a view to avoiding conflicts of interest.
- 6.4 Other responsibilities
 - 6.4.1 report any matter that the Committee considers should be brought to the attention of the Board.
 - 6.4.2 undertake any task or action that the Board requests or authorises.
 - 6.4.3 the Committee shall assess its own performance on a regular basis.

7. Access

- 7.1 The Committee is authorised by the Board to investigate any activity within its Charter.

- 7.2 The Committee shall have unlimited access to both the internal and external auditors and to senior management of the Group. The Committee is authorised by Board to access independent professional advice where the Committee considers it necessary to carry out its duties. The Committee shall notify the Chairman of the Board of any exercise of its rights of access under this clause.
- 7.3 At least annually the Committee shall meet with the internal and external auditors without the presence of management.

8. Duration and Amendments

- 8.1 This charter shall be reviewed annually by the Committee and the Board.
- 8.2 Any changes to this charter shall require the approval of the Board.

9. Meeting Arrangements

- 9.1 The Committee shall hold at least four regular meetings in each calendar year usually as follows:
- February - half yearly accounts and half yearly report to ASX
 - July - internal and external audit reports on work undertaken for financial year
 - August - year end accounts and preliminary final report to ASX
 - November- yearly external and internal audit plan; external audit management report on previous financial year accounts; internal audit reports; and

any additional meetings which the chairman directs in order for the Committee to fulfil its duties. In addition, the chairman is required to call a meeting of the Committee if requested to do so by the Board, a member of the Committee, the Chief Executive Officer or the external auditor.

- 9.2 A quorum will be a majority of Committee members.
- 9.3 The Company Secretary shall act as Secretary of the Committee and is responsible, in conjunction with the chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting. The Secretary shall also be responsible for keeping the minutes of meetings of the Committee, and circulating them to Committee members and other members of the Board.
- 9.4 Decisions will be determined by majority vote, but the chairman shall report the fact of a dissenting vote to Board when reporting the decision to Board. The chairman shall not have a casting vote.
- 9.5 A meeting may be held using any technology agreed to by all Committee members, including audio or video conference facilities.