



## **AUDIT & RISK COMMITTEE CHARTER OF THE BOARD OF FAIRFAX MEDIA LIMITED**

*[Amended 6 September, 2002  
Amended: 8 May, 2003  
Amended: 18 August, 2008  
Amended: 21 August, 2009  
Amended 19 March 2014]*

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#### **1. Standing Rules for Fairfax Board Committees**

The Standing Rules for Fairfax Board Committees apply to the Nominations Committee and are incorporated into this Charter, save as expressly varied by this Charter.

#### **2. Purpose**

The Committee's role is to advise and assist the Board on the establishment and maintenance of a framework of risk management, internal controls and ethical standards for the management of the economic entity and to monitor the quality and reliability of financial information for the group. The Board Personnel Policy and Remuneration Committee reports to the Board with responsibility for monitoring the Company's performance and risk management for occupational health, safety and environment.

#### **3. Duties of the Committee**

The Committee will:

1. Recommend to the Board the appointment of the external auditor, review its performance independence and effectiveness, approve the auditors' fees arrangements and enforce the company's Charter of Audit Independence (Schedule 1 to this Charter).
2. Ensure that appropriate systems of control are in place to effectively safeguard the value of the assets.
3. Ensure accounting records are maintained in accordance with statutory and accounting requirements.
4. Formulate policy for Board approval and oversee the key finance and treasury functions.
5. Formulate and oversee an effective business risk plan.
6. Ensure that appropriate policies and procedures are in place with the goal to ensure compliance with all regulatory requirements.
7. Monitor the entity's compliance with all regulatory and ethical requirements.

8. Identifying and monitoring current and emerging CSR trends, risks and opportunities and ensuring that the Board is kept up to date with market and investor expectations on CSR activities.
9. Overseeing the Group's compliance with corporate governance and legal requirements in relation to CSR issues and related reporting.
10. Ensure there is an appropriate framework for compliance with all legal and Australian Stock Exchange requirements.
11. Review the external audit process with the external auditor including in the absence of management.
12. Review the performance of internal audit and have input into the performance review and remuneration of the Internal Audit Manager.
13. Recommend to the Board the appointment and dismissal of the Internal Audit Manager.
14. Review and approve the internal audit plan.
15. Receive internal audit summaries of significant reports prepared by internal audit.
16. Meet with the Internal Audit Manager, including in the absence of management if considered necessary.
17. Deal with such matters as the Committee deems necessary to carry out the functions set out above.

#### **4. Membership**

The Committee structure will comply with the following:

1. All members will be non-executive directors. Executives may attend on invitation.
2. The chair must be an independent director and have relevant financial expertise and will not be the Chair of the Board of Directors.

#### **5. Support**

In order to carry out its duties the Chair of the Committee is authorised (at the Company's expense) to:

1. engage such external advice;
2. obtain assistance and information from officers of the Group; and
3. engage such other support

as is reasonably required from time to time.