



## **Aveo Healthcare Limited Audit Committee Charter**

### **1. INTRODUCTION**

- 1.1 The Board of Directors of Aveo Healthcare Limited ('Aveo Healthcare' or the 'Company') has established an Audit Committee ('Committee').
- 1.2 The Committee is guided by the following Audit Committee Charter ('Charter') and the constitution of the Company.

### **2. ROLE AND RESPONSIBILITIES**

- 2.2 The Committee will assist the Board to verify and safeguard the integrity of the Company's financial reporting, internal control structure, risk management systems and the external audit functions.
- 2.3 In discharging its role, the Committee will investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.
- 2.4 The Committee will engage independent counsel and other advisers as it determines necessary to carry out its responsibilities.
- 2.5 The primary responsibilities of the Committee will be to review and report to the Board on the following matters:
  - financial integrity;
  - audit effectiveness;
  - business risks; and
  - corporate governance controls.

### **3. COMPOSITION**

- 3.1 The Committee will comprise at least two members. The Committee members:
  - must be independent, non-executive directors;

- should be financially literate and have a familiarity with finance and accounting principles and understand the operational, financial and strategic risk profile of Aveo Healthcare;
- will be appointed annually by the Aveo Healthcare Board which shall select a Committee member as chair (who shall not be the Chairman of the Board); and
- appointment as a member of the Committee is automatically terminated when they cease to be a director of Aveo Healthcare.

3.2 The duties and responsibilities of a member of the Committee shall be in addition to those set out for a director of the Board.

#### **4. MEETINGS**

- 4.1 The Committee may with the approval of the Chair conduct meetings by telephone or videoconference provided that all Committee members involved in the meeting are able to participate in discussion.
- 4.2 The Committee will meet at least twice each year to coincide with the half-year and annual financial reporting of the Company. The Committee will also meet at any other time as the Chair considers appropriate. Each Committee member is entitled to reasonable notice of a meeting.
- 4.3 The Chair will call a meeting of the Committee if so requested by any member of the Committee, the external auditor or the Chairman of the Board.
- 4.4 The quorum for a meeting will comprise any 2 Committee members or any greater number determined by the Committee from time to time.
- 4.5 The Committee may invite any Aveo Healthcare executives and other parties external to Aveo Healthcare to attend any meeting of the Committee.

#### **5. SCOPE, ACCESS, AUTHORITY**

- 5.1 The Committee has direct access to the Aveo Healthcare external auditor. It has the authority to seek any information it requires to carry out its duties from any officer or employee of Aveo Healthcare.
- 5.2 The Committee has authority to consult any independent professional advisers it considers appropriate to assist in meeting its responsibilities.

## **6. REPORTING**

- 6.1 The Chair of the Committee will provide a verbal report to the Board at the earliest possible Board meeting after each Committee meeting.
- Additionally, the Chair will submit a written summary report to the Board annually.
- 6.2 The Committee will prepare and submit to the Board any additional reports as appropriate.

## **7. PRIMARY DUTIES**

The Committee assists the Board in discharging its responsibilities to exercise due care diligence and skill in relation to Aveo Healthcare in the following areas:

### **7.1 Financial Integrity**

- 7.1.1 The Committee must review all audited Aveo Healthcare financial statements intended for publication prior to recommending their approval by the Board.
- 7.1.2 In undertaking reviews of financial and external reporting the Committee will do so from the shareholders' perspective and with a view to ensuring the information is adequate for their needs.

### **7.2 Audit Effectiveness**

- 7.2.1 Oversee and appraise the quality and effectiveness of the audits conducted by the auditors and ensure minimum overlap with the work carried out by the FKP Group Internal Auditor. The scope of internal audit work executed at the Parent Entity level will cover Aveo Healthcare Limited, being a controlled entity of FKP Limited.
- 7.2.2 The Committee must ensure that the audit approach covers all financial statement areas where there is a risk of material misstatement and that audit activities are carried out throughout Aveo Healthcare in the most effective, efficient and comprehensive manner, placing maximum reliance on the work performed by the Internal Auditor (as appropriate). The Committee is responsible for ensuring that the external auditor meets the required standards for auditor independence.

### **7.3 Business Risks**

- 7.3.1 The Committee must monitor and review the effectiveness of the risk management and internal control structure implemented by management and advise on significant changes to that structure so as to obtain reasonable assurance that Aveo Healthcare assets are safeguarded (including against error and fraud) and that reliable financial records are maintained. The Committee will monitor and evaluate the performance of the FKP Internal Auditor and the effectiveness of the model in adding value to Aveo Healthcare Limited and its controlled entities. The Committee will feedback comments/recommendations as appropriate to the FKP Limited Audit Committee.

### **7.4 Corporate Governance Controls**

- 7.4.1 The Committee is responsible for the oversight of management's application of the ASX Corporate Governance Council Guidelines in respect of financial reporting and risk oversight.
- 7.4.2 The Committee provides assurance that Aveo Healthcare is adequately managing risk relating to corporate governance and market integrity and is maintaining appropriate controls against conflicts of interest and fraud.
- 7.4.3 With the approval of the Board, the Committee will investigate other areas with the objective of enhancing protection against risk and corporate governance failures.

## **8. REVIEW OF CHARTER**

- 8.1 The Committee must review the Charter annually to ensure that the Charter remains consistent with the Committee's authority, objectives and responsibilities.
- 8.2 Any changes to the Charter recommended by the Committee must be approved by the Board

**9. PUBLICATION OF CHARTER**

- 9.1 A copy of the Charter is to be made available at [www.aveohealthcare.com.au](http://www.aveohealthcare.com.au).
- 9.2 The Charter is also made available to shareholders upon request.

***This Charter was approved by the Board on 19 February 2013***