



## **Audit, corporate governance and risk management committee charter**

**July 2011**

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## 1.0 Background

The Audit, Corporate Governance & Risk Management Committee has been established by the Board of Bravura Solutions Limited to provide advice and assistance to the Board to allow it to:

- Fulfil the Group's audit, accounting and reporting obligations
- Monitor the performance and independence of the Group's auditors
- Monitor compliance with applicable accounting standards and other requirements relating to the preparation and presentation of the Group's financial results
- Fulfil its responsibilities relating to the Group's financial statements, internal accounting and financial control systems
- Ensuring best practice is achieved as far as possible in the implementation of Group corporate policies and risk management processes and
- Ensuring that appropriate corporate governance structures are established and maintained for all entities within the Group.

This charter sets out the responsibilities of the Committee, its membership criteria and the manner in which the Committee's activities should be conducted.

The Board will determine the composition of the Committee and its terms of reference. Any changes thereto will require the approval of the Board.

The composition and terms of reference of the Committee are to be reviewed at least every two years.

## 2.0 Definitions

For convenience the following terms have been used throughout this document:

Board	the board of directors of Bravura Solutions Limited.
Bravura Solutions	Bravura Solutions Limited.
Committee	the Audit, Corporate Governance & Risk Management Committee established by the Board.
Group	Bravura Solutions and its subsidiaries.

## 3.0 Membership

The Committee shall comprise a minimum of two members, with the majority being independent non-executive directors. All Committee members must have appropriate financial and business expertise to act effectively as members of the Committee.

The chair of the Committee will be an independent non-executive director.

The Company Secretary of Bravura Solutions will act as the secretary to the Committee.

Representatives from management, external auditors and legal advisors will be requested to attend and report to meetings of the Committee from time to time.

## 4.0 Responsibilities and authority

### 4.1 Financial reporting

In respect of the financial reporting responsibilities of the Group, the Committee will be responsible for:

#### Reviewing and approving

- The procedures for compliance with statutory responsibilities relating to financial disclosure including:
  - the adequacy of financial statement disclosure
  - accounting policies adopted
  - the nature and impact of any changes in accounting policies during the relevant reporting period and
  - policies and practices for asset valuations and write-downs.

#### Reviewing and recommending to the Board

- All statutory financial reports prepared for Bravura Solutions and its controlled entities (including individual statutory financial reports prepared for overseas subsidiaries where the revenue of the subsidiary represents 10% or more of total Group revenue), appropriateness of accounting policies and financial reporting disclosures, compliance with relevant accounting standards, ASX rules and legal requirements and
- All financial results to be reported to shareholders including disclosure covering governance issues.

### 4.2 External audit

In respect of the external audits to be undertaken of Bravura Solutions and its controlled entities, the Committee will be responsible for:

- Reviewing and approving the terms of engagement of external auditors
- Reviewing and approving audit policy, annual audit plans and audit fees
- Liaising with the external auditors on the results of their audit and reviewing and discussing their closing reports
- Ensuring that management responds to recommendations by the external auditors and the Committee shall review all management responses made to the external auditors
- Consequential action required, if any, resulting from discussions with auditors and/or the review of their audit reports, management letters and engagement letters
- Reviewing the performance of the external auditors
- Reviewing the independence and objectivity of external auditors and
- Reviewing and recommending to the Board any changes to the external auditors.

### 4.3 Internal audit

The Committee shall review the need for an internal audit function from time to time, whether in-house or outsourced. Where the Committee believes there should be an internal audit function, the Committee will be responsible for:

- Selecting and appointing the internal auditor
- Communicating the Committee's expectations to the internal auditor
- Reviewing and approving the terms of engagement of the internal auditor
- Reviewing and approving internal audit policy, annual internal audit plans and fees
- Liaising with the internal auditor on the results of internal audits and reviewing and discussing internal audit reports
- Ensuring that management responds to recommendations by the internal auditor and the Committee shall review all management responses made to the internal auditor

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- Consequential action required, if any, resulting from discussions with the internal auditor and/or the review of the internal audit reports
  - Reviewing the performance of the internal auditor
  - Reviewing the independence and objectivity of the internal auditors and
  - Overseeing the co-ordination of the internal and external auditors.

#### 4.4 Risk management

In respect of risk management the Committee will be responsible for:

- Ensuring a Group risk management plan is established and documented
- Assessing the Group risk management plan for adequacy and ensuring that it continues to be appropriate
- Overseeing the strategies and procedures used to identify and evaluate principal risks and their potential impact to the Group
- Reviewing management's plans for mitigation for the material risks faced by the various business units of the Group
- Monitoring the effectiveness of the formal and informal communication of these strategies, frameworks, policies, procedures throughout the Group
- Receiving and evaluating reports from management concerning the risk implications of existing, new and emerging risks and the planned controls and initiatives, in order to monitor or mitigate these risks
- Making recommendations to the Board concerning the Group's risk appetite and particular risks or risk management practices of concern to the Committee and
- Evaluating the ongoing effectiveness and independence of risk management functions.

#### 4.5 Corporate governance

The Committee will:

- Ensure that appropriate corporate governance structures are identified and implemented for the Group having regard to the size and nature of the Group's operations and the ASX Corporate Governance Principles
- Review the corporate governance structures of the Group at least every two years and make recommendations to the Board as to any changes the Committee considers appropriate and
- Review and approve the corporate governance section of the Group's Annual Report.

#### 4.6 Other

The Committee will also:

- Provide pre-approval of all non audit services to be undertaken by the external auditor by the Chief Financial Officer consulting with the Chair of the Committee prior to the work being undertaken and
- Consider any other matters referred to it by the Board from time to time.

#### 4.7 Annual General Meeting

The Chair of the Committee shall attend the Annual General Meeting of Bravura Solutions and be prepared to respond to any shareholder questions on the Committee's activities.

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## 4.8 Reporting to the Board

The Chair of the Committee will report to the Board on its activities at least four times a year, usually at the next Board meeting following a Committee meeting.

The Chair of the Committee will report immediately to the Board on any matter the Committee becomes aware of that could have an adverse impact on Bravura Solutions and accordingly Bravura Solutions' shareholders.

## 5.0 Duties

### 5.1 Duty to disclose conflicts of interest

Members of the Committee must disclose any direct or indirect pecuniary interest they have in any matter being considered, if such interest could conflict with the proper performance of their duties in relation to consideration of the matter.

Where a conflict arises, the Committee member is not permitted to participate in any discussions in relation to the matter or cast a vote on the matter being considered.

### 5.2 Duty to act honestly

Members of the Committee must act honestly and exercise the degree of care and diligence that a reasonable person would exercise if they were in the Committee member's position.

## 6.0 Resources and rights of access

The Board is to ensure that the Committee is provided with adequate resources and authority to discharge its responsibilities, including access to relevant information and records relating to the operations of the Group as required.

The Committee may commission independent legal, accounting or other professional assistance with the general expectation that the Managing Director will receive prior consultation on the matter and subject to approval of the expense.

The Committee has a right of access to all levels of management within the Group.

## 7.0 Meetings and record keeping

Meetings of the Committee are to be held at least four times a year and at such other times as the Chair of the Committee shall require. A schedule of proposed meetings will be drawn up in advance for the ensuing year and distributed to members of the Committee.

The Committee will prepare an annual schedule of agenda items to be considered throughout the year having regard to its responsibilities outlined above.

The Committee will meet with the external auditors at least twice a year and part of that meeting will be without any management present.

The Committee will structure its meetings to allow a portion of each meeting for Committee members to discuss issues as they see fit without management present.

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The Secretary will ensure that members and management are aware of the requirements to produce papers and to attend meetings.

Papers for meetings will be distributed at least five business days prior to the scheduled meeting.

Meetings may be held in person, by phone, video-conference or such other technology as agreed to by all members.

A quorum, for any meeting shall consist of any two members, one of which must be an independent non-executive director.

The Secretary will take minutes of all meetings held, and keep records of all reports and recommendations made by the Committee.

Any dissenting member shall be entitled to have the opinion of that member recorded in the minutes.

A resolution evidenced by writing under the hands of all the Committee members shall be as valid and effectual as a resolution duly passed at a meeting of the Committee. Any such resolution may consist of several documents in like form signed by one or more Committee members.

## **8.0 Review**

The Committee will review its performance and compliance with its terms of reference annually taking into consideration any assessment or commentary provided by the Chair of the Board.