



TPG Telecom Limited (“TPG Telecom”)

Audit & Risk Committee Charter

Contents

1. Objectives	2
2. Authority of the AR Committee.....	2
3. Composition.....	2
4. Meetings	3
5. Role and Responsibilities	3
5.1 Financial Reporting.....	3
5.2 Risk Management.....	4
5.3 Compliance.....	5
5.4 Internal Audit	5
5.5 External Audit	5
5.6 Other responsibilities	6
6. Reporting	6
7. Conflicts of Interest.....	6
8. Document Control.....	7

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1. Objectives

The Board has established the Audit & Risk Committee (**AR Committee**) to assist in the oversight and review of the financial, audit, operational and risk management of TPG Telecom's activities.

2. Authority of the AR Committee

The Board has delegated authority to the AR Committee to fulfill its role and responsibilities as set out in Section 5 of this Charter entitled *Role and Responsibilities* and may delegate other responsibilities to the AR Committee from time to time. The AR Committee is also delegated authority to:

- a) seek such information from internal or external parties as the AR Committee deems appropriate;
- b) obtain external legal, tax, accounting or other professional advice; and
- c) request the attendance of staff and external advisors to meetings of the AR Committee.

3. Composition

The Board appoints members and the Chairperson of the AR Committee.

The AR Committee shall comprise not less than three Directors members, all of whom must be non- executive Directors and the majority of whom must be independent directors. The Chairperson of the AR Committee shall be an independent Director and shall not be the Chairperson of the Board. Unless otherwise agreed by the Board, the secretary of the AR Committee shall be the Company Secretary.

A quorum for any meeting shall be two members, provided that at any time while Foreign Investment Review Board (**FIRB**) conditions apply to TPG Telecom, a quorum for any meeting of the AR Committee must satisfy the following requirements:

- a) at least one of the independent directors on the Board of TPG Telecom must be able to vote on the decision at the meeting; and
- b) no more than 50 per cent of the members able to vote on the decision at the meeting are directors nominated or appointed by a Vodafone Group plc or CK Hutchison Holdings Limited group company (being a Shareholder Applicant Director, as that term is defined in the FIRB conditions dated 7 May 2020).

The AR Committee members should, where possible:

- a) have a sound knowledge of TPG Telecom's business undertakings;
- b) hold financial qualifications and/or be able to demonstrate relevant commercial experience in financial management; and
- c) have an appropriate understanding of the industries in which TPG Telecom operates.

The composition of the AR Committee shall include one member who has accounting or financial expertise and one member with an understanding of the industry sector in which TPG Telecom operates. The composition will be reviewed annually by the Board.

4. Meetings

The AR Committee will meet at least four times each year or more frequently if deemed necessary by the Chairperson. The external auditors may request a meeting if they consider it necessary and any such request must be conveyed to the Board.

The Chairperson of the AR Committee may invite such other persons to attend meetings of the AR Committee as required including management, the external auditors and professional advisors as deemed appropriate.

The secretary will be responsible, in conjunction with the Chairperson, for drawing up the agenda and circulating it, and supporting papers, to the AR Committee prior to each meeting. The secretary must notify members of the AR Committee of the date, time and location of AR Committee meetings as far in advance as possible.

The secretary shall minute the proceedings of all AR Committee meetings and the meeting minutes will be made available to the Board.

Resolutions of the AR Committee shall be passed by a majority of votes or by way of a unanimous written resolution. Meetings may be held in person, by telephone or by video conference.

5. Role and Responsibilities

The role of the AR Committee is to provide objective review and oversight of TPG Telecom's financial statements and external financial and corporate reporting process, risk management system, compliance framework, internal controls framework, strategic, and major financial and operational risks and the external audit process, based on sound principles of accountability, transparency and responsibility.

The AR Committee is responsible for, but not limited to, the following:

5.1 Financial Reporting

- a) Reviewing significant accounting and financial reporting processes and issues relating to external reporting, and the provision of financial information for the TPG Telecom Group of Companies (the Group), and changes to accounting standards and regulatory requirements and the impact on the financial statements of the Group.
- b) Reviewing and recommending to the Board the half and full-year financial statements of the Group and any accompanying reports, ensuring they reflect appropriate accounting principles and standards and disclose all relevant information. In discharging this responsibility, the AR Committee will focus on:
 - appropriateness of, and correct disclosure of, any changes made to TPG Telecom's existing accounting policies;
 - accounting treatments for, and disclosure of, significant, unusual or complex transactions;
 - appropriateness of significant judgements made by management in preparing the financial statements;
 - whether TPG Telecom's financial statements provide a true and fair view of the financial position and performance of the Group;
 - whether financial controls are functioning effectively; and

- any changes in financial ratios and relationships are consistent with changes in TPG Telecom's operations and financing practices.
- c) Reviewing the processes and controls that support the opinions provided in the Chief Executive Officer and Managing Director and Chief Financial Officer attestations for half year and full-year financial reporting.
- d) Reviewing and recommending to the Board the Directors' Report and Remuneration Report (in consultation with the Remuneration and Governance Committee (**RGC**) and Nomination Committee (**NC**) where required) included in the Annual Report.
- e) Where the Directors' Report is not subject to assurance by the external auditor, ensuring that an appropriate process is adopted to validate that the report is accurate, balanced and understandable and provides the market with appropriate information to make informed investment decisions. A relevant summary of such process should be included in the Directors' Report.
- f) Reviewing significant developments in, and TPG Telecom's reporting strategy pertaining to, environmental, social and governance (**ESG**) reporting and disclosures.

5.2 Risk Management

- a) Reviewing and recommending to the Board TPG Telecom's risk appetite framework and statement.
- b) Overseeing the effectiveness of management's risk identification, assessment and management process and implementation of the TPG Telecom risk management strategy.
- c) Overseeing the operation of the risk management framework including risk management accountability, reporting and performance. This includes reviewing TPG Telecom's risk management framework at least annually to ensure it is relevant and appropriate.
- d) Reviewing and recommending to the Board any changes to risk management policies.
- e) Reviewing and monitoring of TPG Telecom's assessment of its weighted average cost of capital (**WACC**) for use in processes such as impairment testing and development of hurdle rates for capital investment.
- f) Reviewing TPG Telecom's Treasury policy and monitoring management's performance against the Treasury Policy principles.
- g) Monitoring the TPG Telecom risk profile, including management's assessment of the impacts of internal and external factors on the risk profile, as well as the impact of new and emerging risks and mitigating action plans in place.
- h) Monitoring management's performance against TPG Telecom's risk management framework, including whether it is operating within the risk appetite set by the Board.
- i) Monitoring and reviewing the adequacy of business resilience programs including disaster recovery and business continuity plans for preserving and re-establishing financial and operational information in the event of a disaster.
- j) Reviewing TPG Telecom's insurance program at least annually based on TPG Telecom's business and risk profile.
- k) Monitoring the effectiveness of TPG Telecom's fraud risk framework, including customer fraud and security, internal fraud controls and anti-bribery and corruption program.

- l) Monitoring the effectiveness of TPG Telecom's ESG risk management, including compliance with relevant laws and regulations and review of public disclosures by TPG Telecom relating to its ESG risk management practices, including those related to climate risk.
- m) Monitoring the tax control framework including tax compliance risk and effectiveness of controls
- n) Monitoring the risk culture of TPG Telecom and the extent to which senior management support a positive risk and compliance culture.
- o) Receiving reports from internal audit on its reviews of the adequacy of TPG Telecom's processes for managing risk.

5.3 Compliance

- a) Reviewing and approving policies in accordance with the Policy Governance Framework.
- b) Monitoring and reviewing the effectiveness of the Compliance function and framework, including compliance with applicable laws, regulations and industry standards.
- c) Reviewing significant regulatory incidents and breaches, including remediation actions undertaken by management.
- d) Reviewing material whistleblower reports, material breaches of TPG Telecom policies, and any material litigation or implications of any significant changes to law.
- e) Monitoring and reviewing the adequacy of internal controls, both financial and non-financial through relevant control attestations from management and findings of the Internal Audit function and External Audit.

5.4 Internal Audit

- a) Assessing the requirement for the appointment of an internal auditor and make the appropriate recommendation to the Board.
- b) Reviewing and approving the annual Internal Audit Plan, including its scope, resources and approach, and any change that may be required.
- c) Reviewing the results of internal audits undertaken and management's responsiveness to internal audit findings and recommendations.
- d) Evaluating the independence, performance and effectiveness of the internal audit function, including quality of service provided, adequacy of resources, qualification of resources, and coordination with the external auditors on an annual basis.

5.5 External Audit

- a) Reviewing and recommending to the Board of the appointment of the external auditor and rotation of external audit engagement partners.
- b) Reviewing and approving the external auditor's proposed audit scope, plan and methodology.
- c) Reviewing the adequacy of the external audit and performance of the external auditors.
- d) Assessing the independence of the external auditors taking into account non-audit services provided to TPG Telecom.
- e) Reviewing the fees payable to the external auditor for audit and non-audit work.
- f) Meeting separately with the external auditors at least annually to discuss any

matters considered appropriate to be dealt with privately.

5.6 Other responsibilities

- a) Undertaking oversight responsibility as and when requested by the Board.
- b) Undertaking special investigations or specific reviews as requested by the Board.

6. Reporting

The AR Committee will report to the Board through the AR Committee Chairperson.

The AR Committee Chairperson will:

- a) report to the Board on the business of AR Committee meetings;
- b) convey AR Committee recommendations; and
- c) report to the Board on fulfilment of AR Committees role and responsibilities, including:
 - an annual assessment of whether the AR Committee has met its Charter obligations;
 - an assessment of whether external reporting is in line with the information and knowledge of the AR Committee and is adequate for the needs of TPG Telecom;
 - an assessment of the internal management processes which support external reporting;
 - an assessment of the performance and independence of the external auditors and, where the external auditors provide non-audit services, whether the independence of the external auditors has been maintained; and
 - the results of the AR Committee's review of risk assessment and internal compliance controls.

7. Conflicts of Interest

Directors must take all reasonable steps to avoid actual, potential and perceived conflicts of interest.

If a director considers that he or she might be in a position where there is a reasonable possibility of conflict between their personal and business interests, the interests of any associated person, or their duties to any other company and the interests of TPG Telecom, that director must:

- a) inform the Board of the circumstances giving rise to the conflict of interest; and
- b) unless otherwise agreed by the Board, absent themselves from deliberations and abstain from voting on the matter.

If a director believes they have a clear conflict of interest or duty in relation to a matter, the director must:

- a) immediately inform the Chairperson, or, in the case of the Chairperson, the Senior Independent Director and/or the Chairperson of the Remuneration and Governance Committee (**RGC**); and
- b) absent themselves from all deliberations and abstain from voting on the matter.

8. Document Control

Version	Date	Prepared by	Reviewed by	Approved by
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