

Audit & Risk Committee Charter

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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, operational and risk management of TPG Telecom’s activities.

The AR Committee has responsibility for ensuring the integrity of the financial reporting process, the risk management system, internal reporting and controls, management of strategic and major financial and operational risks and the external audit process based on sound principles of accountability, transparency and responsibility.

2. Authority of the AR Committee

The Board has delegated to the AR Committee the authority to:

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

3. Composition

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 be appointed by the Board 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 FIRB conditions apply to TPG Telecom, a quorum for any meeting of the AR Committee must satisfy the following requirements:

1. 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
2. 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:

- have a sound knowledge of TPG Telecom’s business undertakings;
- hold financial qualifications and/or be able to demonstrate relevant commercial experience in financial management; and
- 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 shall meet at least four times per financial year or more if so required. 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 the external auditors and professional advisors as he or she deems appropriate.

The secretary will be responsible, in conjunction with the Chairperson, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to AR Committee members 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 shall be included in the papers for the next Board meeting following an AR Committee meeting, except that if the next Board meeting occurs sooner than 14 days from the AR Committee meeting, the Chairperson of the AR Committee shall provide an update at that Board meeting and the AR Committee meeting minutes shall be included in the papers for the following Board meeting.

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 Responsibility

The AR Committee is charged with the following roles and responsibilities:

5.1 Financial reporting

- Review of the annual financial statements for completeness and consistency with known information, ensuring they reflect appropriate accounting principles and standards and adequately address such issues as valuation of assets and liabilities, contingent liabilities, litigation provisions and other commitments and contingencies.
- Obtain sign-off by the Chief Executive Officer and Chief Financial Officer that, in their opinion, the financial records of TPG Telecom have been properly maintained and that financial statements comply with the appropriate accounting safeguards and give a true and fair view of the financial position and performance of TPG Telecom and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- Review the Directors' Report, Remuneration Report and Corporate Governance Statement included in the Annual Report for completeness and accuracy taking into account preliminary announcements, forecast and guidance statements and analysts' briefings.
- Where the Directors' Report is not subject to assurance by the external auditor, ensure 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.
- Review the preliminary and interim financial statements and disclosure process and obtain explanations from management on whether:
 - actual results varied from budgeted or projected results;
 - any changes in financial ratios and relationships are consistent with changes in TPG Telecom's operations and financing practices;

- there has been consistent application of generally accepted accounting principles in preparation of the results;
- there are any significant or unusual events or transactions not reflected in the results;
- the financial controls are functioning effectively; and
- the preliminary and interim financial statements disclose all relevant information.

5.2 Controls

- Evaluate whether appropriate internal controls, both financial and non-financial, are in place and whether management encourages a culture of compliance by communicating the importance of controls and leading by example.
- Assess the adequacy of the controls including disaster recovery and business continuity plans for preserving and re-establishing financial and operational information in the event of a disaster.
- Consider what other controls might be appropriate and assess the benefit of implementing and monitoring any additional controls.
- Monitor compliance with legal, regulatory and industry standards and evaluate potential liability, including impact on reputation, in relation to any non-compliance.
- Review the adequacy of intellectual property arrangements, fraud controls, and TPG Telecom's privacy protection, anti-bribery, competition law, sanctions, health and safety, information security, network resilience, business resilience and Electromagnetic Field policies and make appropriate recommendations as required to protect TPG Telecom's position, reputation and assets.

5.3 Risk management

- Review and monitor the effectiveness, integrity and quality of risk identification, assessment and management process and risk strategies.
- Oversee risk management accountability, reporting and compliance with risk management policies and make recommendations to the Board in relation to changes that should be made to the risk management policies. This includes reviewing TPG Telecom's risk management framework at least annually to ensure that it continues to be sound.
- Oversee disclosure by TPG Telecom relating to its economic, environmental and social sustainability risks and how it manages or intends to manage those risks.
- Ensure all major strategic and operational risk is brought to the attention of the Board in a timely manner and monitor and report on the management of major strategic and operational risk.
- Ensure that there is a robust tax control framework in place to effectively manage tax compliance risk and monitor regularly the effectiveness of the controls.
- Oversee TPG Telecom's insurance program, having regard to TPG Telecom's business and the insurable risk associated with the business.
- Monitor the effectiveness of TPG Telecom's health and safety management system including consider significant issues, and review TPG Telecom's performance, with respect to health and safety.
- Monitor management's performance against TPG Telecom's risk management framework, including whether it is operating within the risk appetite set by the Board.

- Review any material incident involving fraud or a break-down of TPG Telecom’s risk controls and the “lessons learned”.
- Receive reports from internal audit on its reviews of the adequacy of TPG Telecom’s processes for managing risk.
- Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.

5.4 Internal Audit and controls

- Assess the requirement for the appointment of an internal auditor and make the appropriate recommendation to the Board.
- Review and approve any internal audit plan, including its scope, resources and approach, and monitor the audit activity against the approved plan.
- Evaluate the effectiveness of the internal audit, quality of service provided, resources, interaction with the external auditors and cost benefit at least yearly.

5.5 External Audit

- Review the external auditor’s proposed audit scope, plan and methodology to ensure its appropriateness and that no undue restrictions or limitations have been placed on the scope of the work.
- Review the performance of the external auditors yearly.
- Assess the independence of the external auditors taking into account non-audit services provided to TPG Telecom.
- Review and make recommendations in relation to the external auditor’s budget (including fees payable to the auditor for audit and non-audit work).
- Meet separately with the external auditors at least once a year to discuss any matters considered appropriate to be dealt with privately.

5.6 Other responsibilities

- Undertake oversight responsibility as and when requested by the Board.
- Undertake special investigations or specific reviews as requested by the Board.

6. Reporting

The AR Committee must report to the Board regarding the proceedings of each AR Committee meeting, the outcomes of the AR Committee’s reviews and recommendations and any other relevant issues. The report must also include, at a minimum, all matters relevant to the AR Committee’s role and responsibilities, including:

- an assessment of whether external reporting is in line with the information and knowledge of the AR Committee and whether it is adequate for the needs of TPG Telecom’s shareholders;
- an assessment of the internal management processes which support external reporting;
- procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- 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 management and internal compliance and control systems.

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1.0	30 June 2020