

## SPARK INFRASTRUCTURE GROUP AUDIT, RISK and COMPLIANCE COMMITTEE CHARTER

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### 1. Introduction

Spark Infrastructure RE Limited (the "Company") is the responsible entity and trustee of the Spark Infrastructure Trust (the "Trust"). The Company operates a managed investment scheme (the 'Scheme'). The Board of the Company, as responsible entity of the Trust, has formally constituted a committee called the Audit, Risk and Compliance Committee (the "Committee").

### 2. Role

The role of the Committee is to assist the Board in discharging its responsibilities and specific duties on the matters set out in this Charter.

### 3. Responsibilities

The responsibilities of the Committee are:

#### 3.1 To exercise oversight of :

- a) the integrity of the accounting and financial statements, financial risk management, reporting and disclosure processes and their outputs for the Company and its subsidiaries (the 'Group');
- b) the independence of the external auditor;
- c) internal and external audit processes (including appointment, evaluation, remuneration and management of the internal and external auditor);
- d) compliance with applicable accounting standards and policies and statutory and regulatory accounting requirements to give a true and fair view of the financial position and performance of the Group;
- e) the appropriateness of accounting judgements or choices exercised by management in preparing the Group's financial statements;
- f) the integrity of internal systems of compliance and control, including those that address the risk of fraudulent financial reporting and other significant instances of fraud and processes for the prevention, detection and investigation of fraud and other irregularities;
- g) the risk profile and risk management of the Group within the risk appetite set by the Board;
- h) the adequacy of the risk management and compliance framework, policies, processes and assurance systems in place and their operational effectiveness;
- i) the risk register;
- j) the operation of a risk based approach and culture of compliance within the Group;
- k) audit processes for the Scheme's compliance plan (including appointment or any change of the compliance plan auditor, and their evaluation and remuneration); and
- l) compliance with the Scheme obligations, Australian financial services licence ('AFSL') conditions, the compliance plan and the Scheme constitution.

#### 3.2 To review, report and make recommendations to the Board on:

- a) the effectiveness of the Group's financial and non financial risk management policies;
- b) the integrity of the Group's financial reporting;
- c) risk appetite and risk management practices within the Group;
- d) risk exposure limits and tolerances for the Group and the identification and control of material risks to the Group and key risk indicators;
- e) the structure and adequacy of the Group's insurance program;
- f) the adequacy of the Scheme's compliance plan;
- g) the audit, risk and compliance processes, policies and procedures in place for the Group;
- h) compliance with relevant laws and regulations and the Group's statutory obligations;

- i) procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters;
- j) identification of compliance issues and the management and reporting of significant breaches; and
- k) any changes to the Scheme's compliance plan.

#### 4. Other responsibilities

In addition to the responsibilities listed above, the Committee:

- a) may make recommendations to the Board as it sees fit;
- b) may delegate authority to a sub-committee comprised of one or more members of the Committee and that sub-committee has the full power and authority of the Committee subject to the terms of its delegation;
- c) is to report any matter identified during the course of carrying out its duties below that the Committee considers should be brought to the attention of the Board; and
- d) is to perform or undertake on behalf of the Board any such other task, investigation or action as the Board may require from time to time.

#### 5. Specific Duties

In carrying out its responsibilities the Committee will:

- a) review the Company's accounting policies and advise the Board of any significant new policy or changes in policy. To consider and discuss with the external auditor the quality and acceptability of the Company's accounting policies;
- b) review with management, significant accounting and financial reporting issues raised by internal or external audit;
- c) review the management representation letters and the regulatory certifications of the Chief Executive Officer and Chief Financial Officer ('Financial Declarations'). To review the controls and processes to support the Financial Declarations;
- d) review the audited annual and half yearly financial statements and any accompanying reports and recommend their approval to the Board;
- e) recommend to the Board the appointment or any change in the internal auditor, external auditor or compliance plan auditor and the rotation of the external audit engagement partner every five years (or to extend the engagement for up to a further two year period, as appropriate);
- f) confirm the independence of the external auditor and compliance plan auditor and that there have been no undue restrictions or limitations placed on the auditors. To meet in closed session with the external auditor, internal auditor and compliance plan auditor and the Committee without management present;
- g) review the internal and external audit plans and compliance plan audit plan with management and regularly monitor progress of work performed;
- h) review the scopes of work and terms of engagement of the auditors and consider the adequacy of proposals including time and resources allocated taking a risk based approach to areas of focus and attention;
- i) review and assess the findings of the internal, external and compliance plan auditors including any qualifications and the appropriateness of management's responses to the findings including actions and timetable proposed;
- j) review the internal, external and compliance plan audit fees and non audit services performed by the external auditor. The Committee should satisfy itself on whether the provision of non

- audit services is appropriate having regard to the requirements for independence to enable the Board to make the necessary statutory declarations in the Company's annual report;
- k) evaluate the performance of the internal, external and compliance plan auditor including their efficiency, effectiveness and objectivity of the auditors and their findings and make recommendations to the Board regarding remuneration of the auditors;
  - l) report to ASIC if the Committee is of the view that the Company has not taken, or does not propose to take, appropriate action to deal with any breach of the Corporations Act involving the Scheme or breach of the Scheme's constitution; and
  - m) assist ASIC in carrying out investigations as to whether the Company is complying with the Scheme's constitution, the Compliance Plan and the Corporations Act.

## 6. Composition

The Committee must be comprised of only Non-executive Directors of whom a majority must be independent Directors. The Committee must have an independent chair, who is not chair of the Board. The Committee must have at least three members.

It is intended that the Committee members will all be financially literate and familiar with the accounting practices utilised by the Company and that, between them, the Committee members should have the accounting, financial and industry expertise to effectively discharge the Committee's mandate.

The Board may appoint additional Non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

The Committee may invite such other persons (including members of management and the internal auditor, Compliance Plan auditor and external auditor) to its meetings as it deems necessary.

The secretary of the Committee must attend all Committee meetings and will be the Company Secretary, or such other person as nominated by the Committee.

## 7. Procedures

The Committee will meet as often as the Committee members deem necessary in order to undertake its role effectively. However, it is intended that the Committee will meet at least four times a year. A quorum for any meeting will be two members.

The Company Secretary will be responsible for coordinating meetings of the Committee.

Special meetings may be convened as required. If a member of the Committee, the internal auditor, external auditor or Compliance Plan auditor requests a meeting, the Company Secretary will inform the Committee Chairman of that request and the Committee Chairman will determine whether to convene the meeting.

The proceedings of all meetings will be minuted by the Company Secretary and signed by the Chair of the Committee. Minutes of meetings, once approved, will be distributed to all directors and included in the Board papers for noting at a subsequent meeting of the Board.

The Committee chair should report to the Board after each Committee meeting concerning the proceedings of the Committee and all matters relevant to the Committee's role, responsibilities and duties.

The Committee may obtain information it requires from any director of the Board, other entity within the Group or management and may consult with management as and when it consider appropriate. The Committee may request the attendance of directors or executives of the Company or directors of another entity in the group at meetings as appropriate.

The Committee may obtain outside legal or other professional advice, upon notifying the Board or the Chair of the Board, at the cost of the Company.

The Committee has the right of access the internal and external auditor and Compliance Plan auditor, or employees or contractors performing audit work, without management present. The internal auditor, external auditor and Compliance Plan auditor have the right to meet or communicate confidentially with the Committee or its Chairman without management present.

The Board will review the membership and charter of the Committee to determine its adequacy for prevailing circumstances from time to time and in any event at least once each year.

**Approved by the Board – 13 December 2013**