



ETHICAL
MANAGED FUNDS

Hunter Hall International Limited Audit Committee Charter

Introduction

This Charter sets out the arrangements that Hunter Hall International Limited (HHIL) will apply to ensure the Audit Committee functions properly.

Appointment

The Board of Directors of HHL (the Board) is responsible for appointing members to the Audit Committee.

The Board has appointed Wayne Hawkins and Mark Forstmann as the Audit Committee for HHL and its subsidiaries (the Company).

Functions of Audit Committee

The primary objective of the Committee is to assist the Board of HHL and the Boards of the HHL subsidiary companies (including Hunter Hall Investment Management) in fulfilling their responsibilities relating to accounting and reporting practices. In addition, the Committee will:

- through active and open communication with the external auditors, ensure that audits are conducted in a manner that is appropriate to the nature of the Company's activities,
- oversee and appraise the quality of the audits conducted by the Company's external auditors,
- perform an independent and objective review of financial information presented by management to Shareholders, Unitholders, regulators and the general public,
- monitor and assess compliance with the Company's corporate governance controls, including its operating, administrative and accounting controls, and
- monitor the Company's corporate governance policies and controls, and its compliance therewith.

Duties of Members of the Audit Committee

The members of the Audit Committee must:

- (a) act honestly,
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position,
- (c) not make use of information acquired through being an Audit Committee member in order to:
 - (i) gain an improper advantage for the member or another person, or
 - (ii) cause detriment to HHL or any of its subsidiary companies, Directors or members,
- (d) not make improper use of their position as an Audit Committee member to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to the shareholders or investors, and
- (e) take all reasonable steps to assist any regulatory body in carrying out any surveillance checks.



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Membership

The Audit Committee must be made up of at least two members, Directors of HHL, and a majority must be Non-executive Directors.

Audit Committee members should be suitably qualified. The Board have responsibility for reviewing the qualifications of prospective Audit Committee members and for ensuring that the appointees are suitably qualified.

Term

Members are appointed until further notice from the Board.

Replacement, Removal, Retirement of Compliance Committee Members

Replacement

If an Audit Committee member resigns, is removed, ceases to be a Non-executive Director or is otherwise unable to perform his or her duties, the Board may fill the vacancy and must do so if failure to appoint an appropriate person would cause a breach of this Charter.

Removal

The Board may remove an Audit Committee member by giving at least one month written notice to that Audit Committee member.

Retirement

Audit Committee members may retire by providing at least one month written notice to the Audit Committee and the Board.

Advice

In carrying out its functions, the Audit Committee may commission independent legal, accounting or other professional advice or assistance, at the reasonable expense of HHL.

Resources

The Audit Committee must inform the Board of HHL, or the relevant subsidiary company, if it believes that it does not have adequate resources to properly perform its functions as an Audit Committee.



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Meetings

Chair

The Audit Committee will appoint an Audit Committee member as Chair of the Audit Committee.

Adjournment

The Chair has power to adjourn the meeting and reschedule accordingly, as agreed with the Audit Committee members.

Quorum

A quorum shall consist of two Audit Committee members.

Attendees

The Audit Committee may invite any Director or Executive of HHL and its subsidiaries or the Auditors to attend any meeting of the Audit Committee where such attendance would be of benefit to the Audit Committee.

Minutes, reports and recommendations

Meetings are formally minuted.

The Chair must ensure that minutes of the Audit Committee meetings are kept and include details of all records, recommendations and actions required. The minutes shall be made available to Audit Committee members and the Boards of the Hunter Hall companies.

Meeting frequency

The Audit Committee shall meet bi-annually or more frequently as determined by the Audit Committee. Meetings may also be called at the request of the Chair or the Board/s of any of the Hunter Hall companies.

Meeting method

The Audit Committee meetings may be held using any method or technology agreed by the Audit Committee members.

Reporting frequency

The Audit Committee will report to the Board of HHL, and the Boards of each of the subsidiary companies, after each meeting and as a minimum at each reporting period (being for the six months ending 30 June and 31 December).



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Convening meetings

Meetings may be called at the request of the Audit Committee Chair or the Board.

Voting

Voting at a meeting of Audit Committee members is by simple majority.

Disclosure of interests

An Audit Committee member must disclose any direct or indirect pecuniary interest that they may have in a matter being considered, or about to be considered, by the Audit Committee, if their interest could conflict with the proper performance of their duties in relation to the consideration of the matter.

This disclosure must occur at the first meeting of the Audit Committee after the relevant facts have come to the Audit Committee member's knowledge and must be recorded in the minutes of the meeting.

Rights to information and reports

The Audit Committee members have the right to receive such reports, as they deem necessary to carry out their functions and responsibilities.

The Audit Committee is, amongst other things, entitled to:

- (a) request and be provided with any reports and other information relevant to their obligations,
- (b) have access to the accounting records of the HHL and the Auditor, and
- (c) request the attendance of any Executive or other staff member at an Audit Committee meeting.

The Audit Committee members may request reports and information from relevant staff as is deemed necessary to fulfil their responsibilities, including progress reports on action taken in relation to matters raised.

The Board must:

- (a) allow the Audit Committee to have access to the books of the Company,
- (b) if the Audit Committee requires the person to give the Committee information or an explanation about any audit matter, provide such information or explanation to the Audit Committee, and
- (c) otherwise assist the Audit Committee in the performance of its functions.

Review of Charter

The Audit Committee and the Board agree that this Charter may be reviewed by either party at any time and that a formal review be undertaken each year.

Revisions to the Charter are to be approved by the Directors of the Company.