

VOCUS GROUP LIMITED
AUDIT COMMITTEE CHARTER
adopted by the Board on 25 February 2016

1. ROLE AND RESPONSIBILITIES

The audit committee is not a policy-making body but assists the board by implementing board policy. The role of the committee includes assisting the board in the company's governance and exercising of due care, diligence and skill in relation to:

- a. reporting financial information to users of financial reports
- b. application of accounting policies
- c. financial management
- d. the internal control system
- e. the risk management system
- f. the performance management system
- g. business policies and practices
- h. protection of the company's assets
- i. compliance with applicable laws, regulations, standards and best practice guidelines.

Other committee objectives include:

- a. improving the credibility and objectivity of the accountability process, including financial reporting.
- b. overseeing the effectiveness of the internal and external audit functions and providing a forum for communication between the board and the internal and external auditors.
- c. ensuring the independence of the external auditor.
- d. providing a structured reporting line for internal audit and monitoring the objectivity and independence of the internal auditor.
- e. assuring the quality of internal and external reporting of financial and non-financial information.
- f. ensuring an ethical culture has been embedded throughout the company.

2. AUTHORITY

The board authorises the audit committee, through the chair, to:

- a. appoint, compensate and oversee the work of any registered company auditor employed by the organization
- b. resolve any disagreements between management and the auditor on financial reporting
- c. pre-approve all auditing and non-audit services
- d. retain independent counsel, accountants or others to advise the audit committee or assist in the conduct of an investigation
- e. seek any information it requires from employees, who are directed to co-operate with the audit committee's requests, or from external parties

3. POWERS

In fulfilling its duties, any committee member may:

- a. access any document, report, material or information in the possession of an employee or

- external adviser of the company, including without limitation the external auditor and any members of the board
- b. at the direction of the committee or the board, conduct an investigation or formal review of an aspect of the company's financial or business operations
 - c. at the cost of the company obtain independent professional advice to assist in the proper exercise of its powers
 - d. request the assistance of any employee, board member or external adviser of the company
 - e. any other thing or action reasonably necessary to enable the committee to fulfill its duties

For the avoidance of doubt, the committee does not have the power to enter into transactions of behalf of the company, or bind the company in any other way or form.

4. COMPOSITION

The audit committee will consist of at least three members of the board. The board or its nominating committee will appoint audit committee members. The audit committee or the board will elect its chair. The chairman of the committee must be a committee member who is an independent director and who is not the chairman of the board.

Membership of the audit committee is to be confirmed annually by the board in alignment with the annual general meeting.

Each audit committee member must be an independent director, financially literate and have an understanding of financial statements and general accounting policies, so as to enable the committee to effectively discharge its duties.

5. INVITEES

Other persons may only attend meetings of the audit committee by invitation.

Persons who may usually be invited are:

- a. the chief executive officer
- b. the chief financial officer
- c. the head of internal audit
- d. an external audit provider

6. MEETINGS

- a. The audit committee will meet as frequently as is required to fulfill its duties. The internal or external auditors may request a meeting and such a request is to be met.
- b. A quorum will be more than half the members. In the chair's absence from a meeting, the members present will select a chair for that particular meeting.
- c. All audit committee members are expected to attend each meeting in person or through other approved means such as teleconferencing or video conferencing.
- d. The notice and agenda of a meeting will include relevant supporting papers.
- e. The audit committee may invite other people to attend as it sees fit and consult with other people or seek any information it considers necessary to fulfil its responsibilities. The members may meet separately with auditors.

7. VOTING

Any matters requiring decision will be decided by a majority or votes of members present.

8. CONFLICTS OF INTEREST

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from committee discussions on the issue where a conflict exists.

9. SECRETARIAT DUTIES

The chief financial officer (or other appropriate person) will act as secretary to the audit committee. The secretary will assist the chair to develop and distribute agendas, papers, minutes and calendar.

10. MINUTES

Minutes must be prepared, approved by the chair and circulated to the members within two weeks of a meeting. The minutes must be ratified by the members present at the meeting and signed by the chair.

11. REPORTING TO THE BOARD

The chair of the audit committee is to report to the board following each committee meeting. The manner of reporting may be by distribution of a copy of the minutes supplemented by other necessary information, including recommendations requiring board action and/or approval. The chair must organise the supply of information regarding the audit committee, which will be included in the company's annual report.

12. REVIEWS

The audit committee must review its performance on an annual basis. The review may be conducted as a self assessment and will be coordinated by the chair. The assessment may seek input from any person. Training needs will be monitored by the chair.

The audit committee must review this charter annually to ensure that it remains consistent with the board's objectives and responsibilities. The board approves or further reviews the charter.

Appendix

Responsibilities of the audit committee

The audit committee has the following responsibilities:

Financial reporting

- Review significant financial and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory announcements and understand their effect on the financial report.
- Review management's processes for ensuring and monitoring compliance with laws, regulations and other requirements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review the annual financial report.
- Assess significant estimates and judgments in financial reports by asking management about the process used in making material estimates and then ask the internal and external auditors the basis for their conclusions on the reasonableness of managements estimates.
- Review with management and the external auditors all matters required to be communicated to the audit committee under the Australian Auditing Standards.
- Consider the appropriateness of the accounting principles and policies adopted and any amendments, as well as the methods of applying those principles and polices ensuring they are in accordance with the stated financial reporting framework.
- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.
- Assess management explanations for unusual transactions or significant variances form prior year results or current year budget.
- Assess the management of non-financial information in documents to ensure the information does not conflict with the financial statements or other documents.
- Recommend to the board whether the financial and non-financial statements should be signed based on the audit committee's assessment of them.

Internal control and risk management

- Assess the internal processes for determining and managing key risk areas, particularly:
 - compliance with laws, regulations, standards and best practice guidelines;
 - important judgments and accounting estimates;
 - litigation and claims;
 - fraud and theft; and
 - relevant business risks other than those dealt with by other specific board committees.
- Ensure that the company has an effective risk management system and that significant or material risks are reported to the board.
- Address the effectiveness of the internal control, risk management and performance management systems with management and the internal and external auditors.
- Asses effectiveness of, and compliance with, the corporate code of ethical conduct and compliance with internal plans, polices and procedures.
- Obtain regular updates from management and company lawyers about compliance matters.

External audit

- Make recommendations to the board on the appointment, remuneration and monitoring of the effectiveness and independence of the external audit provider.
- Review the external audit provider's fee and be satisfied that an effective audit can be conducted for the fee.
- At the start of each audit, agree the terms of engagement with the provider and review the annual engagement letter.
- Review and confirm the independence of the external audit provider by obtaining statements from the provider on relationships between the auditor and the company (including non-audit services) and discussing the relationships with the auditor.
- Monitor and critique management's responsiveness to the external audit provider's findings and recommendations – ask the provider if there have been any significant disagreements with management (irrespective of whether they have been solved).
- Provide the opportunity for audit committee members to meet with the external audit provider without management personnel being present at least once a year.
- Advise the board on the rotation of the external audit provider at intervals of approximately each five years or otherwise as appropriate.

Internal audit

- Consider the need for, and if necessary recommend, the implementation of an internal auditing process as a mechanism of the internal control system of the company.
- Make recommendations to the board on the appointment, remuneration and monitoring of the effectiveness and independence of internal audit.
- Ensure that sufficient resources are available to enable an effective audit to be conducted in the areas identified for internal audit review.
- Communicate the audit committee's expectations to the internal audit in writing and ensure that reports are directly to the audit committee.
- Review and approve the scope of the internal audit plan and work program, monitor progress and consider the implications of internal audit findings for the control environment.
- Ensure that the internal audit and external audit programs are effectively coordinated.
- Provide the opportunity for audit committee members to meet with the internal auditor without management personnel being present at least once a year.

Related party transactions

Review and monitor the propriety of related party transactions.

Corporate governance

Assist the board to ensure appropriate corporate governance is in place.

Other responsibilities

- Perform other activities related to this charter as requested by the board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of this charter annually, requesting board approval for changes and ensure appropriate disclosure as required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the audit committee's and individual members' performance regularly.