

Audit & Risk Committee Charter

Date of Issue: 3 April 2006

Amended: 25 February 2013



A) Purpose of the Committee

The Board of Wotif.com Holdings Limited (**WTF** or **Company**) has established the Audit and Risk Committee to provide ongoing assurance in the areas of:

- financial administration and reporting;
- audit control and independence; and
- risk overseeing and management, and internal controls.

This Committee and the functions it performs do not diminish the ultimate responsibility of the Board.

B) Role and Objective

The Committee acts in a review and advisory capacity and supports the full Board. It is considered to be a more efficient forum than the full Board for reviewing and overseeing:

- the integrity of the Company's financial reporting;
- the Company's risk management, and internal controls; and
- the Company's system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems, and prescribed internal standards of behaviour.

In addition, the Committee is available to perform such reviews and inspections as the Board may from time to time direct.

C) Composition

Membership

WTF's Board has resolved that:

- the Committee must have at least three members;
- all members of the Committee must be:
 - Non-executive Directors; and
 - financially literate (i.e. are able to read and understand financial statements);
- a majority of the Committee members must be Independent¹ Directors;
- the Chairman of the Committee must be an Independent Director and must not be the Chairman of the Board;

¹ An "Independent Director" is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

- at least one member of the Committee must have financial expertise (i.e. is a qualified accountant or other financial professional with expertise of financial and accounting matters); and
- some members of the Committee must have an understanding of the industry in which WTF operates.

Appointment and Term

The members of the Committee and its Chairman will be determined by the Board. There is no prescribed term for membership of the Committee. Members may be appointed or removed by a resolution of the Board. Membership of the Committee ceases when a member ceases to be a Director.

D) Meetings

The Committee will meet as frequently as considered necessary by the Committee Chairman for it to discharge its role effectively but must meet at least four times per financial year. The Committee Chairman must convene a meeting if requested to do so by any Committee member, the CEO or the Board. The Committee Chairman will decide on the timing of the meetings of the Committee. Meetings may be held in person, or by telephone, video or internet conferencing.

The Chief Financial Officer or the Finance Manager must attend all meetings of the Committee and will act as the Committee Secretary (with responsibility for maintaining minutes). Minutes of all meetings, when signed by the Committee Chairman, constitute a record of the business of the Committee. These signed minutes are circulated to the full Board at the following Board meeting.

The Committee Secretary shall be responsible, in conjunction with the Chairman, for drawing up and circulating agendas, and providing any explanatory documentation prior to each meeting.

The External Auditor, other members of the Board and members of Wotif Group management will be invited to attend Committee meetings at the discretion of the Committee.

A quorum consists of two members of the Committee.

E) Authority and Access

In carrying out its responsibilities, the Committee will have direct and unfettered access to:

- the External Auditor (with or without management present); and
- management of WTF and its subsidiaries.



The Committee shall also have the authority:

- to conduct or direct any investigation required to fulfil its responsibilities;
- to obtain independent opinions and engage independent experts at the Company's cost where it considers it necessary to carry out its duties; and
- to obtain explanations and additional information from any Company personnel as it requires from time to time.

F) Reporting

At the earliest possible Board meeting following a Committee meeting the Committee Chairman is to report:

- any matters that in the Committee's opinion should be brought to the attention of the Board;
- any recommendation of the Committee which requires Board approval; and
- any matter requiring Board action.

As stated above signed minutes from Committee meetings are circulated to the full Board at the following Board meeting.

The Committee should recommend to the Board acceptance of the annual and half yearly financial statements after providing the Board with:

- an assessment of the management processes and controls which support external reporting;
- an assessment of the performance and independence of the External Auditor and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
- the results of its review of the risk management, internal compliance and control systems;
- an assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs;
- procedures for the selection, appointment and removal of the External Auditor and the rotation of the External Auditor's engagement partner; and
- the results of the annual review of this Charter.

The Committee Chairman is to provide an annual report (either verbally or in writing) to the Board at the Board meeting at which the year-end financial statements are approved summarising the Committee's activities during the year.

G) Duties and Responsibilities

The Committee is responsible for:

Financial Reporting

- reviewing the audited annual and half yearly financial statements and any accompanying reports with management and the External Auditor in order to recommend their approval to the Board;
- reviewing the integrity and effectiveness of the Wotif Group's financial reporting systems and controls;

- reviewing with management any significant accounting and financial reporting issues raised by the External Auditor;
- determining the adequacy of the Wotif Group's administrative, operating and accounting controls, and promoting understanding and maintaining such controls within the Wotif Group;
- reviewing the management letter issued by the External Auditor; and
- reviewing the regulatory certifications of the CEO and the Chief Financial Officer and the controls and processes used to reach the opinions in such certifications.

Control and Independence

- recommending to the Board the appointment of the External Auditor and their fee;
- reviewing the scope of the External Audit Plan, the performance of the External Auditor and overseeing and appraising the quality of audits conducted by the External Auditor;
- in recommending the appointment of the External Auditor and in reviewing their effectiveness, the Committee is guided by the following principles:
 - the External Auditor must be a registered company auditor and be a member of an accredited professional body;
 - the audit partner and any audit team member must not be a Director or officer charged with the governance of WTF, or have a business relationship with the Company or any officer of the Company;
 - the audit team shall not include a person who has been a former officer of the Company during that year;
 - the External Auditor must have actual and perceived independence from WTF and shall confirm their independence to the Board;
 - the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge; and
 - the External Auditor is not to provide non-audit services under which they assume the role of management, become an advocate for the Company or audit their own work;
- establishing processes to ensure the independence and competence of the WTF's External Auditor. This will include:
 - a requirement that the audit partner and the independent review partner rotate at least every five years with a minimum three year period before being reappointed to the WTF audit team;
 - include obtaining at least annually from the External Auditor a formal written statement detailing all relationships between the External Auditor and the Group to assess the External Auditor's independence; and
 - pre-approving all audit and non-audit services to be performed for the Wotif Group;
- reinforcing management's commitment to the implementation of approved recommendations;



- maintaining, by regular meetings, open lines of communication among the Board and the External Auditor to enable an exchange of views and information, as well as to confirm their respective authority and responsibilities;
- resolving outstanding items arising from any audit as necessary;
- ensuring issues raised by the external audit are resolved in a timely and positive manner;
- ensuring that no management restrictions are placed on access to relevant information or personnel by the External Auditor; and
- meeting privately with the External Auditor at least annually.

Risk Management

- the establishment of policies on risk overseeing and management, which:
 - set out the roles and respective accountabilities of the Board, the Committee and management;
 - provide for overseeing the establishment and implementation of the Company's risk management system;
 - provide for a review (at least annually) of the effectiveness of the Company's implementation of its risk management system;
 - establish (and regularly review and update) a risk profile for the Company describing material risks (both financial and non-financial) facing the Company; and
 - oversee the Company's internal compliance and control systems established by management, including reviewing the effectiveness of these systems in identifying, assessing, monitoring and managing material business risks throughout the Wotif Group.

Compliance

- assessing the internal processes in place for ensuring legal compliance, in particular those responsibilities imposed under Corporations Law, the applicable licensing legislation and other relevant legislation including the ASX Listing Rules.

General

- referring to the Board matters of significant concern arising from the Committee's mandate.

H) Charter Review

This Charter will be reviewed and if necessary updated annually and any changes required should be recommended to the Board for approval. The Committee will annually review its own performance.

