

COMPLIANCE COMMITTEE CHARTER

1. Introduction

The board (**Board**) of Aurora Funds Management Limited (**Aurora**) have established a Compliance Committee for the purposes of Section 601JA of the Corporations Act 2001 (Cth) (**Act**).

The purpose, members, responsibilities and powers of the Compliance Committee are set out in this Charter.

This Charter is to be read in conjunction with the Compliance Plan approved by the Board, and terms defined in the Compliance Plan have the same meaning in this Charter unless the context otherwise requires.

2. Purpose

The Board is ultimately responsible for decisions regarding Aurora, including its compliance with its legal and other obligations.

The purpose of the Compliance Committee is to assist the Board in fulfilling its responsibilities to:

- (a) monitor the extent to which Aurora as Responsible Entity (**RE**) for any managed investment scheme (**Scheme**) complies with the Compliance Plan and report its findings to the Board at such time as it considers necessary or desirable;
- (b) report to the Board any actual or suspected breach of the Act in relation to a Scheme or a provision of the Constitution of a Scheme after it becomes aware of the breach;
- (c) report to the Australian Securities and Investments Commission (**ASIC**) if the Compliance Committee is of the opinion that the RE has not taken or does not propose to take appropriate action to deal with a matter reported above;
- (d) assess at regular intervals (determined by the Compliance Committee) whether the Compliance Plan is adequate;
- (e) make recommendations to the Board about necessary or desirable amendments to the Compliance Plan; and
- (f) do such other things that the Act requires.

The Compliance Committee will meet at least four times each year and report to the Board by a non-external member of the Compliance Committee tabling the minutes and any other relevant reports of the Compliance Committee meetings at meetings of the Board and providing any verbal update as required by the Board.

The Compliance Committee must also comply with any direction of the Board that is reasonable and is consistent with the Compliance Plan, the Act, and the Constitution of any relevant Scheme.

3. Membership of Compliance Committee

- (a) There must be at least three Compliance Committee members at all times and the majority of them must be external members (as defined in the Act).
- (b) At least one member must be able to demonstrate a significant relevant understanding of financial management.

- (c) At least one member must be able to demonstrate a significant relevant understanding of the funds management industry.
- (d) The Board is responsible for appointing the members of the Compliance Committee.
- (e) The Board must make appropriate background checks before appointing a new member to the Compliance Committee.
- (f) Each person appointed to the Compliance Committee must consent in writing to their appointment.
- (g) The RE may terminate a Compliance Committee member's appointment on one month's written notice or such shorter period as the member allows.
- (h) A Compliance Committee member may retire by giving three months' written notice to the RE or such shorter time as the RE allows.
- (i) Under section 601JB(2) of the Act a member of the Compliance Committee is an external member if they:
 - (i) are not, and have not been in the previous two years, a non-external director (as defined in section 601JA(2) of the Act), a senior manager or an employee of the RE or a related body corporate of the RE;
 - (ii) are not, and have not been in the previous two years, substantially involved in business dealings, or in a professional capacity, with the RE or a related body corporate of the RE;
 - (iii) are not a member of a partnership that is, or has been in the previous 2 years, substantially involved in business dealings, or in a professional capacity, with the RE or a related body corporate of the RE;
 - (iv) do not have a material interest in the RE or a related body corporate of the RE; and
 - (v) are not a relative or spouse of a person who has a material interest in the RE or a related body corporate of the RE.
- (j) Compliance Committee members must disclose to the RE prior to their appointment, and thereafter immediately upon the event occurring:
 - (i) any directorships they hold in other companies;
 - (ii) any membership of any other compliance committee; or
 - (iii) if the member:
 - becomes a bankrupt;
 - is convicted of a criminal offence;
 - breaches any specific term or condition of their appointment; or
 - becomes aware of, or knows of, anything which may affect or compromise their performance as a member.
 - (iv) Any Compliance Committee member appointed as an external member must advise the RE immediately they become aware they no longer qualify as an external member.

4. Compliance Committee Proceedings

- (a) Except as specifically addressed in this Charter, the Act or the Compliance Plan, the Compliance Committee can determine its own procedures.
- (b) The Board undertakes to provide all assistance to the Compliance Committee including to permit meetings to be held on its premises, secretariat support and for records and material of the Compliance Committee to be kept in a safe place.

- (c) The Compliance Committee must keep minutes of its meetings and records of its reports and recommendations in accordance with section 601JH(2) of the Act.
- (d) The Compliance Committee must meet as frequently as is required but not less than quarterly.
- (e) A meeting may be held using any technology agreed to by all the members (section 601JH(3)).
- (f) Any member of the Compliance Committee may invite other people to attend the meetings as it considers necessary.
- (g) Any Compliance Committee member may convene a meeting of the Compliance Committee.
- (h) The chair of the Compliance Committee (**Chair**) may adjourn a meeting of the Compliance Committee for any reason to a time and place as the Chair thinks fit.
- (i) A designated non-external member of the Compliance Committee will be responsible for ensuring that minutes of Compliance Committee meetings are kept and records of the Compliance Committee's reports and recommendations are retained.
- (j) The non-external member of the Compliance Committee will be responsible for ensuring the circulation of the agenda and papers in a reasonable period in advance of each meeting.
- (k) A copy of any such minutes, reports or recommendations signed by the Chair will be taken as a true record unless the contrary is proved.
- (l) The Chair may rely on certification from the non-external member of the Compliance Committee that the reports are provided to the Board.
- (m) The minutes and records must be available to the Compliance Committee members, the Board, the Scheme auditors and the auditor of the Compliance Plan.

5. Chair

- (a) The Chair must be an external member.
- (b) The Chairman of the Board shall not be eligible to be the Chair.
- (c) The Board may appoint a Chair for a meeting or for a period and may terminate that appointment at any time.
- (d) If no Chair is appointed or present at a meeting, the Compliance Committee members present may elect a Chair for the meeting.
- (e) The Chair is responsible for chairing the meetings of the Compliance Committee and signing of the minutes.

6. Quorum and Notice

- (a) Unless waived by all members, all members of the Compliance Committee must be given fourteen days written notice of a Compliance Committee meeting which includes details of the agenda and date and time of the meeting.
- (b) Notice of the meeting may be delivered by email or facsimile.
- (c) In order for papers to be formally considered by the Compliance Committee, they need to be delivered to each member at least five days prior to the meeting unless each member agrees to waive the need.
- (d) The quorum for a meeting of the Compliance Committee is a minimum of 3 members.
- (e) If a quorum does not have a majority of external members, the meeting will be deferred until the majority of external members are available to attend.
- (f) If a quorum is not present with 15 minutes after the time set for the meeting, the meeting is adjourned to a time decided by the members present.

7. Access to information

- (a) The RE must ensure that the Compliance Committee has access to the following, for the purpose of carrying out the functions of the Compliance Committee:
 - (i) information that is relevant to the RE's compliance with the Act or the Constitution of any Scheme, including access to the staff of the RE;
 - (ii) the Scheme's accounting records;
 - (iii) the Scheme's product disclosure statement/s;
 - (iv) the Compliance Plan auditor/s; and
 - (v) the auditor of the Scheme's financial statements.
- (b) During the period of appointment of each Compliance Committee member, each member will have reasonable access to all Compliance Committee papers for the purpose of discharging their duties as a member of the Compliance Committee or for the purpose of defending proceedings in which it is alleged that the member has breached any such duty, but for no other purpose. Following cessation of the term of appointment of a Compliance Committee member, that former member will have reasonable access to Compliance Committee papers for the purpose of defending any proceedings in which it is alleged that the former member has breached their duty as a member of the Compliance Committee, and for no other purpose.
- (c) If the Compliance Committee papers to which a member or former member has access contain any advice to which legal professional privilege may attach, the member or former member is entitled, to the extent that it may be considered reasonably necessary by the member or former member or their legal advisers, to waive that privilege if that member or former member is a party to proceedings in their capacity as a member, or former member, of the Compliance Committee.
- (d) The Compliance Committee papers supplied to a Compliance Committee member shall be the property of that member, subject to any express statement to the contrary by the RE at the time of delivery of those papers to that member.

8. Independent advice

- (a) In carrying out its functions, the Compliance Committee may seek independent legal, accounting or other professional advice or assistance, at the reasonable expense of the RE. Prior to obtaining such advice, each member must obtain prior written approval of a majority of Compliance Committee members if the cost of the advice exceeds \$2,000 ex GST (with approval not to be unreasonably withheld). Any independent advice received by a member of the Compliance Committee at the expense of the RE must be copied to the other members of the Compliance Committee.
- (b) The Compliance Committee is to notify the Board in the event it seeks independent legal, accounting or other professional advice or assistance.

9. Duties of members

- (a) The Compliance Committee members must:
 - (i) act honestly;
 - (ii) exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position;
 - (iii) not make use of information acquired through being a Compliance Committee member to gain an improper advantage for the member or another person or to cause detriment to the members of the Scheme; and

- (iv) not make improper use of their position as a Compliance Committee member to gain an advantage for the member or for any other person or cause detriment to the members of the Scheme.
- (b) The Compliance Committee members must take all reasonable steps to assist ASIC in carrying out a surveillance check under subsection 601FF(1) of the Act.

10. Disclosure of interests

- (a) Compliance Committee members must disclose any interests (including financial) which may give rise to a conflict of interest. This would include, at least, details of:
 - (i) outside directorships;
 - (ii) outside investments, of both the member and their immediate family; and
 - (iii) outside employment or engagements.
- (b) A disclosure must occur at the first meeting of the Compliance Committee after the relevant facts have come to the member's knowledge and must be recorded in the minutes of the meeting.

11. Surveillance checks by ASIC

ASIC may, from time to time, check whether the RE is complying with the Constitution of any Scheme, the Compliance Plan or the Act. ASIC may conduct a physical surveillance check or request further information from the RE.

The RE, its staff and the Compliance Committee must take all reasonable steps to assist ASIC in carrying out a check.