



AUDIT COMMITTEE CHARTER

Purpose of the Committee

The primary responsibilities of the Committee are to assist the Board of QIC Limited to oversee and monitor:

1. the controls that safeguard the integrity of QIC's financial reporting (with the exception of matters relating to debt covenants) and compliance with tax and accounting obligations;
2. QIC's management of tax risk;
3. the processes employed by QIC to undertake valuations across all investment teams;
4. the policies relevant to the Committee's responsibility within the QIC Governance, Risk Management and Compliance Framework (GRC Framework), as defined in the Policy & Standards Guidance Note; and
5. external audit processes generally.

Unless stated otherwise, references to 'QIC' in this Charter includes QIC's subsidiaries and trusts.

Authority

Unless explicitly granted otherwise by the Board, the Committee does not have decision-making powers, but rather will make recommendations to the Board for consideration.

Structure and Membership

The Committee is comprised of directors of QIC Limited is chaired by a member of the Board (excluding the QIC Limited Chair). Permanent members include at least three independent non-executive directors (as nominated from time to time by the QIC Chair and of which at least one must have appropriate financial/accounting qualifications).

The QIC Chair attends meetings as an ex-officio member.

Permanent invitees include the: Chief Executive and Executive Directors' (ED) of Finance and Risk Legal & Tax and external audit. The invitees will be provided with Committee papers.

Each member or invitee may nominate a suitably qualified Alternate subject to the approval of the Committee Chair.

Other invitees may attend at the discretion of the Chair, including representatives of QIC management, legal, accounting, finance and taxation teams, as well as internal audit and external advisers.

Supporting governance

Through its regular reporting cycle, the Committee receives assurance from senior management about QIC's compliance with its financial and tax obligations.

The Committee has established a management Financial Statements Review Sub-Committee for the purposes of providing subject matter expertise and challenge to the financial statements review process.

The Committee has also established, in conjunction with the Risk Committee, the Management Risk and Valuations Sub-Committee. The Risk and Valuations Sub-Committee provides Management oversight of valuation-related matters on behalf of the Committee. For clarity, the Risk and Valuation Sub-Committee's oversight of risk and debt-related matters is undertaken on behalf of the Risk Committee.



In addition, an annual valuations workshop involving the Board, EDs of QIC investment teams and relevant corporate teams and subject matter experts is held to oversee QIC's asset valuation practices. For clarity, the purpose of the annual valuations workshop is not to re-interrogate the metrics of applicable valuations, but rather to ensure the processes applied in the course of asset valuations is sound and appropriate.

Duties and Responsibilities

Financial Reporting

1. Review significant accounting and financial reporting issues and judgements, including complex or unusual transactions made in connection with the preparation of the financial statements.
2. Review recent regulatory and professional pronouncements and understand their impact on the financial statements, as advised by management.
3. Review financial disclosure policies and accounting policy choices.
4. Oversee compliance with statutory responsibilities relating to financial reporting principles and policies, controls and procedures.
5. Oversee the financial reporting assurance framework, including review of management representations/declarations, and provide representations to the Board as to the adequacy and integrity of same.
6. Oversee the periodic financial reporting process implemented by management and perform a preliminary review of selected interim and/or annual financial statements prior to making recommendations to the Board regarding their approval.

Governance Risk & Compliance Framework

7. Oversee compliance with QIC's tax and accounting obligations and all aspects of risk associated with tax, with the exception of matters relating to debt covenants.
8. Oversee and monitor the policies relevant to the Committee's responsibilities within the GRC Framework, as defined in the Policy & Standards Guidance Note.
9. Assess the adequacy of management responses to external audit recommendations.

External Audit

10. In consultation with the Auditor General, advise the Board on the selection and appointment of the external auditor¹ for QIC's subsidiaries including recommendations on tender process, terms of engagement and rotation of the external audit engagement partner.
11. Review and recommend to the Board the adoption of the annual external audit plan.
12. Regularly liaise with external audit to review the audit plan, audit findings and auditor performance.
13. Reporting on the activities of QIC's external auditors, as and when necessary, as a shared responsibility with the Risk Committee which holds such a responsibility with regard to QIC's internal auditors.
14. Evaluate and oversee the external auditors including assessing whether the services provided are consistent with the Board approved 'Auditor Independence Policy' and if not, determine appropriate action.
15. Review processes implemented by management to ensure compliance with the *Auditor-General Act 2009*.

¹ Where the Auditor-General is not mandated by legislation or required by Queensland Treasury policy to be appointed as Auditor of QIC Limited and / or its subsidiaries.



Other

16. Evaluate and oversee the activities of the Financial Statements Review Sub-Committee.
17. Recommend the Charter and policies of the Financial Statements Review Sub-Committee, including any changes from time to time.
18. Consider any other matters of significance to the finances or strategy of QIC, as necessary or considered desirable.
19. Review and recommend the draft QIC GS007 Report or GS007 equivalent to the Board.
20. Advise the Board on any other matters referred by the Board.

Secretarial and Meetings

The Company Secretary (or delegate) shall act as Secretary to the Committee.

The ED Finance, in conjunction with the Chair of the Committee, shall draw up an agenda for approval by the Chair of the Committee. Papers will be delivered to Committee members at least five days prior to the relevant meeting.

The Committee shall meet a minimum of four times each year. The Chair shall convene meetings at such times as he or she deems necessary or when requested by the Board or Chief Executive. All Committee members are expected to attend each meeting, in person or via teleconference or video conference.

A quorum shall be half the number of directors appointed to the Committee and, if that number is not a whole number, the next highest whole number.

Minutes of meetings will be provided in draft form to the Committee Chair and confirmed at the following meeting of the Committee.

The Committee has facility to consider matters via interim submission. In the main, interim submissions require the unanimous approval of all Committee members. If a Committee member is unable to be contacted in respect of an interim submission, the Committee Chair will decide on final approval after receiving a full report on comments made by those Committee members who were contactable. If unanimous approval of those Committee members that are contactable is not obtained, the item is deferred to the next Committee meeting.

Reporting to the Board

The Chair of the Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting.

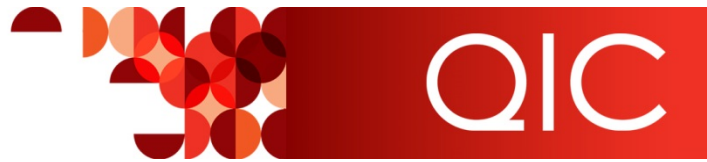
The Chair of the Committee shall provide a report to the Board at the end of each financial year on the activities and considerations undertaken by the Committee during the period.

Performance Review

Every year, the Committee shall perform a self-evaluation of its performance to determine whether it is functioning effectively and meeting the requirements of its Charter and will submit the results of this review to the Board.

Accountability

1. Each member of the Committee is entitled to rely on QIC management, on matters within their responsibility, and on external professionals on matters within their areas of expertise, and may assume the accuracy of information provided by such persons, so long as they are not aware of any reasonable grounds upon which to question its accuracy.



2. The QIC Executive Committee is responsible for implementing, managing and maintaining appropriate control framework systems, policies and procedures, reporting protocols and internal controls designed to provide assurance on compliance with the applicable laws, standards and regulations and the Committee shall monitor the QIC Executive Committee's performance in this area.
3. Professional advisers may be appointed, where necessary, to assist the Committee in evaluating specific issues.

Access to Internal Audit, External Audit & Management

The Committee has the right of direct contact with management, External Audit and Internal Audit, noting the predominant source of contact with Internal Audit will be via the Risk Committee. The Committee shall hold a separate private meeting at least annually, or more frequently if it so determines, with each of the Chief Executive Officer, ED Finance, ED Risk, Legal & Tax, the Head of Tax and External Audit.

External Audit and Internal Audit have a right of direct and unfettered access to the Committee through the Chair of the Committee.