

Audit Committee Charter

Introduction

1. The Charter outlines the roles, responsibilities and composition of the Audit Committee (**Committee**) of the Board of the Commonwealth Bank of Australia (**CBA** or **Bank**) and the manner in which it discharges its responsibilities for CBA and its subsidiaries (**Group**).

Purpose

2. The primary purpose of the Committee is to provide objective review and oversight of the financial reporting process, the audit process and the Group's system of internal controls and compliance.

Role of the Committee

3. The Committee has been established to assist the Board in discharging its responsibilities on a range of matters relating to the oversight and review of:
 - The external reporting of financial information for the Group;
 - The internal control framework for the Group;
 - The internal auditor (**Group Auditor**), internal audit function (**Group Audit & Assurance**) and the external auditors (**External Auditors**); and
 - The Group's Risk Management Framework (**RMF**), in conjunction with the Risk & Compliance Committee.
4. The Board has delegated authority to the Committee to fulfil its responsibilities as set out in the section entitled *Responsibilities of the Committee* of this Charter and may make other delegations to the Committee from time to time.

Composition

5. The Board appoints the members and Chair of the Committee.
6. The Committee will consist of at least three directors, all of whom must be independent, non-executive directors (**NEDs**) of the Bank.
7. Committee members are to be financially literate, and between them, are to have the accounting and financial expertise and sufficient understanding of the financial services industry to fulfil its responsibilities.
8. The Risk & Compliance Committee Chair will be a member of the Committee, and the Committee Chair will be a member of the Risk & Compliance Committee. This is to assist with the flow of relevant information between the two Committees.
9. The Group Company Secretary of the Bank, or such other person as the Board may nominate, will act as Committee Secretary.

Role of the Chair

10. The Committee Chair must not be the Board Chair.
11. The Committee Chair is responsible to lead the Committee and oversee the processes for the Committee's performance of its role in accordance with this Charter.
12. The Committee Chair has specific responsibilities to:
 - Foster an open, inclusive and, where appropriate, robust discussion and debate by the Committee;
 - Set the agenda with the Group Company Secretary, ensuring that appropriate time and attention is devoted to matters within the responsibilities of the Committee; and
 - Liaise with the Group Executive Financial Services and Chief Financial Officer (**GE FS & CFO**), Group Auditor and the External Auditor to ensure the Committee has the information necessary to enable effective decision-making.

Meetings

13. The Committee will meet six times per year or more frequently if necessary.
14. The presence of one half of the members of the Committee (rounded upwards if not a whole number) will constitute a quorum.
15. All directors will have access to Committee papers and may attend Committee meetings.
16. The Group Auditor and the External Auditor are invited to attend all Committee meetings.
17. Management may attend Committee meetings, at the invitation of the Committee Chair.
18. The Committee will meet periodically and separately with the Group Auditor and the External Auditor, without management present.
19. The Committee will regularly meet with the Bank's Chief Executive Officer (**CEO**) and the GE FS & CFO, without the Group Auditor, External Auditor or management present.
20. The Committee will meet concurrently with the Nominations Committee, Risk & Compliance Committee, and People & Remuneration Committee, at least biannually, to:
 - consider material financial, non-financial risks and people-related matters relevant to the determination of executive performance (including the performance of the Group Auditor) and the determination of remuneration outcomes for the CEO, direct reports to the CEO, and the Group Auditor,
 - share information about key matters where appropriate to ensure ongoing oversight of these matters; and
 - consider and provide input into any other matters within the responsibility of the Committee.

21. The Committee will refer an issue to the Board or another Board Committee where:
- the issue falls within the Board or another Board Committee's responsibility;
 - relates to evidence of material inconsistencies in compliance with a CBA Group framework, or policy by a Group entity;
 - there is evidence of failings of controls to effectively manage risks; or
 - if it would benefit the Board or another Committee's consideration.

Access, reliance and advice

22. The Committee will have free and unfettered access to other Board Committees, the CEO and the CEO's direct reports, any other relevant internal and external party and information, and may make any enquiries necessary to fulfil its responsibilities.
23. The Group Auditor has a direct reporting line to the Committee, while maintaining an administrative reporting line to the GE FS & CFO. Consequently, the Group Audit & Assurance function reports directly to the Committee through the Committee Chair.
24. The GE FS & CFO is responsible for the preparation, presentation, quality and integrity of information provided to the Committee.
25. The Committee may, with the prior approval of the Board Chair, where practicable, obtain independent advice at the Bank's expense. This includes by engaging and receiving advice and recommendations from appropriate independent experts. The engagement and any advice received will be independent of management.
26. Committee members are entitled to rely on information, advice and assurances provided by management on matters within their responsibility and on the expertise of independent experts, as long as they are not aware of any grounds that would make such reliance inappropriate.

Responsibilities of the Committee

The Committee is responsible for:

Financial Reporting

27. Reviewing significant accounting and financial reporting processes and issues, including reviewing and approving policies relating to external reporting and the provision of financial information for the Group, and changes to the accounting standards and regulatory requirements and their impact on the financial statements of the Group.
28. Reviewing and recommending to the Board for approval the half and full-year financial statements of the Group and any accompanying reports, following discussion with management and the External Auditor. In discharging this responsibility, the Committee will focus on:
- Consistency in application of accounting policies and adherence to accounting standards and other reporting requirements;
 - The need for, appropriateness of, and correct disclosure of, any changes made to the Bank's existing accounting policies;

- The accounting treatment for, and disclosure of, significant, complex or unusual transactions;
 - The appropriateness of significant judgements made by management in preparing the financial statements; and
 - Whether the Bank's financial statements provide a true and fair view of the financial position and performance of the Bank and Group.
29. Reviewing the processes and controls that support the opinions provided in the CEO and GE FS & CFO certifications for the Group's half-year and full-year financial reporting, and management's report on risk management and internal controls over financial reporting processes, including the disclosures made.
 30. Overseeing key aspects of the Group's half and full-year investor presentations, including considering the assurances provided by the External Auditor that the financial content of the presentations is consistent with the half-year or full-year audited financial reports.
 31. Obtaining assurance over the effectiveness of the processes and controls adopted for the Group's financial reporting obligations to the Australian Prudential Regulation Authority (**APRA**) from management and the External Auditor and considering the adequacy of the assurances.
 32. Reviewing and recommending to the Board for approval the half and full-year Pillar 3 reports required by APRA.
 33. Oversee and monitor financial, tax and accounting risks, including matters referred to the Committee by the Risk & Compliance Committee.
- Internal Control**
34. Overseeing management's design and implementation of the Group's internal control framework and the processes for assessing the effectiveness of the Group's internal controls.
 35. Obtaining assurance from management, the Group Auditor and the External Auditor on a periodic basis, and reporting to the Board, on the adequacy and effectiveness of the Group's internal control framework and the implementation of that framework.
 36. Monitoring the timely resolution of significant internal control deficiencies identified by the Group Auditor, the External Auditor, management or regulators.
 37. Providing information to the Risk & Compliance Committee in relation to any significant internal control matter where the control is inadequate or has not operated, or is not operating, as intended, and could have a significant impact on the Group's risk profile, including the RMF and risk appetite.
- Entity Governance**
38. Overseeing and monitoring the Group's implementation of controls and systems to support effective entity governance in accordance with the Subsidiary Governance Policy.
- Group Auditor and Group Audit & Assurance**
39. Approving, on the recommendation of management, the appointment and the removal of the Group Auditor.
 40. Approving the Group Audit & Assurance Charter.
 41. Approving the Group's annual internal audit plan, including any significant changes to it and overseeing progress against it.

42. Receiving regular reports from Group Audit & Assurance on significant audit findings and the timeliness and adequacy of management's responses and progress in resolving the outstanding significant audit findings.
43. Assessing, at least annually, the adequacy, independence, and effectiveness of Group Audit & Assurance and providing feedback to management. At the Committee's discretion and at least once every three years, obtaining an external assessment on Group Audit & Assurance's adequacy and effectiveness.

44. Reviewing the balanced scorecard.

External Audit

45. Recommending the appointment or removal of the External Auditor to the Board for shareholder approval.

46. Reviewing the financial statement audit services engagement letter.

47. Reviewing and recommending to the Board, the rotation of the lead external audit partner of the External Auditor.

48. Reviewing the annual audit plans of the External Auditor.

49. Assessing, at least annually, the performance, adequacy, effectiveness and independence of the External Auditor, including against any auditor independence requirements arising under legal, regulatory, or accounting, requirements or the Group's policies.

50. Reviewing the half-year review and annual audit reports over the Group financial statements and other internal controls and regulatory reports issued by the External Auditor, assessing the findings and recommendations, and seeking confirmation that management has responded appropriately to the findings and recommendations.

51. Approving the External Auditor Services Policy (**Policy**), and reviewing reports, including the engagement fees for audit and non-audit services, from management and the External Auditor on compliance with the Policy.

52. Reviewing and recommending to the Board for approval the disclosure relating to the provision of non-audit services provided by the External Auditor (including whether the provision of non-audit services is compatible with auditor independence requirements) for inclusion in the annual report.

Risk Management

53. Reviewing the results of the annual review conducted by the Group Auditor and/or the External Auditor, of compliance with, and the adequacy and effectiveness of, the RMF.

54. Reviewing and recommending to the Board for approval the Group Whistleblower Policy and reviewing reports from management:

- Informing of any significant incidents, themes and trends, reported under the SpeakUP Program, Group Whistleblower Policy and Group Code of Conduct;
- Summarising the outcomes of investigations of significant matters raised under the SpeakUP Program and the Group Whistleblower Policy, and overseeing management's actions including investigations and the imposition of disciplinary consequences for serious cases of reported fraud and/or unethical behaviour; and
- Outlining the processes in place to ensure employee awareness of the SpeakUP Program and Group Whistleblower Policy.

55. Considering any significant issues raised at audit committee meetings of APRA regulated subsidiaries within the Group and Global Regulated Entities (referred to in this Charter as Regulated Subsidiary or Regulated Subsidiaries) as reported to the Committee Chair and responding appropriately.
56. Considering, and reporting to the People & Remuneration Committee, any financial and/or internal control matter relevant to the determination of variable remuneration outcomes for the CEO and the CEO's direct reports.

Standing delegation

57. The Committee Chair is delegated the authority to approve changes to the annual audit plans of the Group Auditor and will report any exercise of the delegation at the Committee's next meeting.
58. The Committee delegates authority to approve the engagement of the External Auditor to carry out an External Auditor Service in accordance with the procedures and limits specified in the Policy, with the details of any exercise of the authority delegated reported to the Committee in accordance with the Policy.

Reporting

59. Minutes of Committee meetings will be made available to all Board directors.
60. The Committee Chair will report on the business of Committee meetings to the Board and convey Committee recommendations.

Committee performance and Charter review

61. The Committee will assess its performance and the fulfilment of its responsibilities under the Charter annually (including having an external review every three years).
62. The Committee will review the adequacy of this Charter annually and recommend amendments to the Board for approval.

Other

63. Committee members will meet with relevant regulatory bodies upon request.
64. The Committee will perform any other responsibilities as may be delegated to it by the Board from time to time.

Approval date

Charter approved	June 2023 (effective 10 August 2023)
Next review	June 2024