



SEEK Limited ACN 080 075 314

Audit and Risk Management Committee Charter

November 2018

1. Purpose

The purpose of the Audit and Risk Management Committee (“the Committee”) is to assist the Board of SEEK Limited (“SEEK”) in fulfilling its corporate governance and oversight responsibilities relating to:

- The integrity of SEEK’s financial reporting;
- The effectiveness of SEEK’s systems of risk management and internal control;
- The external audit functions;
- SEEK’s risk profile and risk policy; and
- The effectiveness of SEEK’s risk management framework and supporting risk management systems.

The duties and responsibilities of the Committee to fulfil this purpose are described in this Charter.

2. Composition

2.1 Membership

a) The Committee will consist of:

- non-executive directors;
- a majority of independent directors; and
- a minimum of three members.

The members will be appointed by the SEEK Board (“the Board”).

b) Each member of the Committee will be financially literate (that is, able to read and understand financial statements), have familiarity with financial management and an understanding of the industries in which SEEK operates. At least one member will have relevant qualifications and experience (that is, a qualified accountant or other finance professional with experience of financial and accounting matters).

c) If a member ceases to be a director of the Board, that member ceases to be a member of the Committee.

2.2 Chair

a) The Chair of the Committee:

- will be appointed by the Board;
- will be an independent director; and
- will not also be the Chair of the Board.

b) If the Chair of the Committee is unable to attend a Committee meeting, the Chair of the Committee, or the members present, will appoint another member who is an independent director to act as Chair at that meeting.

3. Meetings

3.1. Meetings other than in Person

Committee members may attend meetings in person or by electronic means. Decisions may be made by circular or written resolution. A circular or written resolution signed by a majority of all members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each signed by one or more members. The expression “written” includes fax or other electronic means.

3.2 Frequency of meetings and convening of meetings

- a) The Committee will meet at least four times per annum, preferably once in each calendar quarter.
- b) Additional Committee meetings may be convened as the Chair of the Committee considers necessary, taking into account requests from any member.

3.3 Quorum

A quorum of the Committee will comprise any two members.

4. Secretary

The Company Secretary will be the Secretary of the Committee.

5. Minutes

- a) Minutes of Committee meetings will be prepared by the Secretary, approved by the Chair of the Committee in draft and circulated to all members.
- b) The minutes of a Committee meeting will be confirmed at the next Committee meeting and then signed by the Chair of the Committee.

6. Attendance at meetings

- a) Directors who are not members of the Committee, the CEO and other executives may attend meetings of the Committee at the invitation of the Chair of the Committee.
- b) Other members of management and/or parties external to SEEK may be invited to attend all or part of any meeting of the Committee, as the Chair of the Committee thinks fit.

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- c) The external auditor will be required to meet separately with the Committee, without management, at least twice per annum or upon the request of the Chair of the Committee.

7. Reporting and Access

- a) The Chair of the Committee will report to the Board as soon as practical after each meeting of the Committee on matters that should be brought to the attention of the Board. Any recommendations requiring Board approval and/or action will be presented to the Board.
- b) The Committee has authority to conduct or direct investigations into any matters within its Charter. The Committee is entitled to obtain external independent legal or professional advice as considered necessary or desirable by the Committee to assist it in any investigation or to carry out its duties. As appropriate the Chair of the Committee will inform the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of its decision to authorise such an investigation or obtain such external advice.
- c) The Committee will have access to management for the purpose of seeking explanations and additional information from management.

8. Duties and Responsibilities

The Committee is responsible for:

8.1 Financial Reporting

- Oversight of the financial reporting process on behalf of the Board and to recommend to the Board appropriate actions in the interests of the integrity of financial reporting.

The Committee also reviews information provided to security holders and the Board for accuracy and reliability.

(a) Statutory Financial Reports

- Review of the statutory financial reports of the SEEK Group to ensure that the Committee is satisfied that the reports provide a true and fair view of the financial affairs of the SEEK Group.
- Review of the representations provided by the management in relation to the statutory financial reports.
- Make recommendations arising from the above reviews for consideration by the Board in connection with adoption of the statutory financial reports.

(b) Assessment of Systems of Risk Management and Internal Control

- Discuss with management and the external auditor the SEEK Group's accounting and financial controls, including the policies and procedures to assess, monitor and supervise financial risk, business risk, tax risk, legal and ethical compliance programs for the purpose of forming a view as to the effectiveness of these controls, policies, procedures and programs.
- In co-operation with management and the external auditor, recommend improvements to the SEEK Group's accounting and financial controls.

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- Discuss with management and the external auditor the SEEK Group's accounting policies and methods for the purpose of forming a view as to the appropriateness (as opposed to the acceptability) of these policies and methods.
 - In co-operation with management, and the external auditor recommend changes to the SEEK Group's accounting policies and methods.
 - Review all reports produced by the external auditor and management's response to the matters raised to ensure that the Committee is satisfied that accounting records are properly maintained in accordance with statutory requirements.
 - Make any recommendations considered necessary in relation to the matters arising from such reports.
 - Obtain regular reports from the external auditor on the critical policies and practices of the SEEK Group and on all alternative treatments of financial information within generally accepted accounting principles.
 - Review all related party transactions involving the SEEK Group.
 - Request reports as required from SEEK management on the risk frameworks and controls within entities in which SEEK holds equity but not a controlling interest.

(c) External Audit

- Recommend to the Board the appointment and remuneration (and, where appropriate, replacement) of the external auditor and the terms of their engagement.
- Agree with the external auditor the overall scope of the external audit, including identified risk areas and any additional procedures considered necessary.
- Review of external audit plans, including changes to those plans, and review progress reports prepared by the external auditor and determine whether all matters raised are receiving appropriate attention.
- Resolve any disagreements between the external auditor and management in relation to financial reporting.
- Monitor and periodically evaluate the effectiveness of the external auditor.

(d) Independence of the External Auditor and Provision of Non-Audit Services

- Periodically (at least once per annum) assess the independence of the external auditor by considering the relationships and services provided by the external auditor that may lead to an actual or perceived lack of independence.
- Review a written report from the external auditor stating that the external auditor has complied with all professional and regulatory requirements relating to auditor independence prior to the completion of each year's accounts. The report will also delineate all relationships between the external auditor and the SEEK Group and describe the external auditor's internal quality control procedures. The report is an addition to any other declaration that the external auditor must provide pursuant to the Corporations Act 2001.

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- Approve and review the External Auditor Independence Policy (Attachment 1) which regulates the provision of services by the external auditor, and monitor compliance with that policy.
 - Recommend to the Board the appropriate disclosure in each year's Financial Report of the full details of fees paid to the external auditor, including an analysis of non-audit services, and provide written advice to the Board as to whether the provision of non-audit services by the external auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, and has not compromised that independence, together with reasons upon which that advice is based.
 - Require that the lead external audit engagement partner be rotated every five years or more frequently if the Committee considers it desirable to maintain the external auditor's independence.
 - Require, in addition to normal recruitment due diligence processes, that the appointment of any present or former employee of the external auditor to a senior position within the SEEK Group be approved in advance by the Chair of the Committee.

8.2 Risk Oversight

(a) Risk Management

- Review of the SEEK Group's assessment of material risks and form an opinion on the adequacy and effectiveness of the risk assessment based on an evaluation of the rigour and suitability of the process undertaken.
- Consider the processes that management uses to design and assure controls and to measure their effectiveness together with reports from the Head of Governance and Risk to form an opinion on the reliability of the risk assessment.
- Review of the SEEK Group's risk profiles as developed by management and monitor emerging risks and changes in the SEEK Group's risk profile.
- Report any material changes in risk profile to the Board.
- Compare the material risk assessment and the risk profile with SEEK's policies and risk appetite and draw conclusions as to their appropriateness.
- Where the Committee identifies opportunities to create value by taking on further or different risks, make recommendations to the Board on the strategies that could be undertaken to capitalise on the identified opportunities.

(b) Effectiveness of the Risk Management Framework

- Review, recommend to the Board, and oversee the operation of, risk management policies and procedures, so that there is, amongst other things:
 - A procedure for identifying risks relevant to the SEEK Group's businesses and controlling their financial or non-financial impacts on the SEEK Group;
 - An adequate system of internal control, risk management and safeguarding of assets;

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- A system of reporting and investigating breaches of risk management policies and procedures;
 - A review of internal control systems and the operational effectiveness of risk management policies and procedures;
 - A culture of risk management and compliance throughout the SEEK Group; and
 - Adequate resources to support the risk management function and enable proper remedial action to be taken to address areas of weakness.
- Review, recommend to the Board, and monitor the SEEK Group Whistleblower Policy.
 - Review and monitor the SEEK Group's risk management performance, including conducting specific investigations where necessary.
 - Evaluate the structure and adequacy of the SEEK Group's insurances.
 - Recommend to the Board any corrective action resulting from its review and assessment.
 - Assess the effectiveness of Tax and Information Technology Risk Management framework.
 - Fraud risk assessment.

8.3 Internal Audit

- Review and approve this Charter, annual internal audit plans and activities for the internal audit function (and where appropriate, without management present).
- Review internal auditor's reports on significant findings and recommendations on internal control.
- Monitor management's response to reviews and recommendations of the internal auditor regarding internal control systems and procedures.
- Review the adequacy of resources and governance arrangements of the internal audit function.
- Review and concur on the appointment and replacement of the Head of Governance and Risk.
- Review the performance, objectivity, independence and effectiveness of the internal audit function.

Attachment 1

External Auditor Independence Policy

This External Auditor Independence Policy (“Policy”) is intended to support the independence of the external auditor by regulating the provision of services by the external auditor. The external auditor will not be engaged to perform any service that may impair or be perceived to impair the external auditor’s judgement or independence.

This Policy is to be interpreted in light of the specific requirements of the Corporations Act 2001 and should be read in conjunction with the Audit and Risk Management Committee Charter.

Audit Services

The external audit engagement encompasses the external auditor’s review of the half-yearly financial statements and the audit of the annual financial statements in accordance with annual external audit plans and the terms of engagement annually approved by the Audit and Risk Committee (“the Committee”) pursuant to the Audit and Risk Management Committee Charter. Any services included in, or necessarily incidental to, the terms of that engagement are to be regarded as Audit Services.

Prohibited Services

The external auditor must not provide services that are in conflict with the external auditor’s role as statutory auditor or that would otherwise impair or be perceived to impair the external auditor’s independence (“Prohibited Services”). Generally, these services include services where the external auditor:

- Participates in activities that are normally undertaken by management;
- Is remunerated through a “success fee” structure;
- Acts in an advocacy role for entities within the SEEK Group; or
- May be required to audit or express an opinion on its own work.

Examples of services that may not be performed by the external auditor include:

- Management consulting;
- IT systems design or implementation;
- Valuation services (except where related solely to tax affairs);
- Bookkeeping, accounting and payroll services;
- Broker, dealer or investment advisory services;
- Litigation or legal advocacy services;
- Internal audit services;
- Actuarial services;
- Acquisition valuations or valuations for purchase price allocations;

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- Fairness opinions; and
 - Preparation of sale documentation.

Permissible Non-Audit Services and Pre-Approval

Permissible Non-Audit Services are services which are not Audit Services or Prohibited Services. Such services may include audit-related services such as letters to banks relating to covenants, comfort letters for debt offerings and the like which require the auditors to make reference to their audit of the financial statements, and other services such as Annual General Meeting scrutineering.

Whilst the external auditor is permitted to provide Permissible Non-Audit Services under applicable laws and regulations, it is intended that the external auditor will only provide a Permissible Non-Audit Service where there is a compelling reason for it to do so. If it is known in advance that the external auditor will be required to provide particular Permissible Non-Audit Services, the Committee will annually pre-approve a budget for those services.

The external auditor will only be engaged to perform Permissible Non-Audit Services outside of those specified in the abovementioned budget with the prior approval of:

- Where the proposed fee for the particular service does not exceed an amount of \$10,000, the Chief Financial Officer and with subsequent endorsement by the Chair of the Committee; or
- In all other cases, the Chair of the Committee. If the Chair of the Committee deems it necessary, the matter may be referred to the full Committee for consideration.

In considering whether to grant such approval or endorsement, the Chief Financial Officer and the Chair of the Committee will consider whether such services require a detailed knowledge of the SEEK Group's activities in order to be efficient.