

SCENTRE GROUP

Audit and Risk Committee Charter

Owner and Operator of  in Australia and New Zealand

SCENTRE GROUP LIMITED ABN 66 001 671 496

SCENTRE MANAGEMENT LIMITED ABN 41 001 670 579 AFS Licence No: 230329 as responsible entity of Scentre Group Trust 1 ABN 55 191 750 378 ARSN 090 849 746

RE1 LIMITED ABN 80 145 743 862 AFS Licence No: 380202 as responsible entity of Scentre Group Trust 2 ABN 66 744 282 872 ARSN 146 934 536

RE2 LIMITED ABN 41 145 744 065 AFS Licence No: 380203 as responsible entity of Scentre Group Trust 3 ABN 11 517 229 138 ARSN 146 934 652

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SECTION 1

Role of Audit and Risk Committee

This Charter sets out the functions of the Audit and Risk Committee of each Board.

The primary function of the Committee is to oversee and monitor the integrity of consolidated financial reports and statements of the listed entities within Scentre Group and Scentre Group's systems of risk management, internal controls and legal compliance.

The Committee is assisted in its role by the Executive Committee, membership of which comprises senior executives of Scentre Group. A function of the Executive Committee is to assist in the formulation and implementation of risk management policies, procedures and processes for Scentre Group.

The Committee is also assisted by the independent assurance function provided by internal audit and by the statutory auditor (the external auditor).

SECTION 2

Interpretation

ASX means ASX Limited.

Board means the Board of Directors of each of Scentre Group Limited, Scentre Management Limited, RE1 Limited and RE2 Limited.

Committee means the Audit and Risk Committee of the Board.

Directors mean the members of the Board.

Non-Audit Services Protocol means the protocol attached as schedule 1 to this Charter.

Scentre Group means each of Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3 and their respective controlled entities.

SECTION 3

Objectives

The objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities by:

- (a) Monitoring and reviewing:
 - (i) the accuracy, integrity and reliability of financial reports and statements of the listed entities of Scentre Group;
 - (ii) the effectiveness of Scentre Group's internal control environment including the systems of internal controls, risk management and legal compliance;

- (iii) the objectivity and effectiveness of the internal audit function;
 - (iv) the independence, objectivity and effectiveness of the external audit function.
- (b) Overseeing the processes for:
 - (i) identifying and managing significant risks faced by Scentre Group;
 - (ii) Scentre Group's compliance with applicable laws and regulations;
 - (iii) implementing appropriate and adequate control, monitoring and reporting systems.
- (c) Making recommendations to the Board in relation to the appointment of the external auditors, and approving the remuneration and terms of their engagement.

SECTION 4

Committee membership

4.1 Structure

- (a) The Committee will consist of at least three members, each of whom will be appointed or removed by the Board, following in each case a review by the Nomination Committee, in consultation with the Chair of the Committee (other than in respect of the Chair's own appointment or removal).
- (b) All members of the Committee must be independent non-executive Directors as determined by the Board.
- (c) The Chair of the Committee (other than a Chair elected under paragraph 7.6), will be elected by the Board and must be a member of the Committee. The Chair of the Committee must not be the Chair of the Board.

4.2 Expertise

- (a) All members of the Committee must be financially literate. At least one member of the Committee must have significant relevant financial and/or accounting experience.
- (b) All members of the Committee must have a sufficient understanding of the business of Scentre Group and a sufficient understanding of the financial, operating and legal issues which affect Scentre Group.
- (c) All members of the Committee must understand Scentre Group's structure, controls and typical transactions in order to adequately assess the significant risks faced by Scentre Group.

Duties and responsibilities

Without limiting its objectives as described in section 3 above, specific duties and responsibilities of the Committee include the following:

5.1 Review of Financial Reports

The Committee must review the adequacy of, and question where necessary, the actions and judgment of management in relation to half yearly and annual financial reports prepared for release to Members, the ASX, regulators and to the public before making appropriate recommendations to the Board, including:

- (a) critical accounting policies and practices adopted, and any changes in them;
- (b) compliance with applicable accounting standards, ASX Listing Rules and other legal requirements in relation to the financial reports;
- (c) decisions requiring a major element of judgment relating to matters which may have a material impact on the financial reports;
- (d) the extent to which the financial reports are affected by any unusual transactions, and how they are disclosed;
- (e) significant audit adjustments and any audit recommendations that have not been adjusted;
- (f) the going concern assumption;
- (g) the risk management and internal control processes in place to form the basis of the declarations by the Chief Executive Officer and Chief Financial Officer to the Board under section 295A of the Corporations Act 2001 (Cth) and the ASX Corporate Governance Principles and Recommendations; and
- (h) the clarity and adequacy of the financial reports.

The Committee is not required to review other financial reports or information released by Scentre Group from time to time except where a specific delegation of responsibility is made by the Board to the Committee.

5.2 Internal Audit

The Committee must monitor and review:

- (a) any proposed change to the head of internal audit;
- (b) whether the internal auditors are adequately resourced, effective, have appropriate standing and are not involved in executive decision making;
- (c) any restrictions placed on the internal auditors by management;

- (d) whether the head of the internal audit function has (and is aware that they have) direct access to the Committee Chair and the Chair of the Board;
- (e) the proposed audit plans of the internal auditors, including the scope, adequacy and materiality level of the audit plan;
- (f) compliance with, and the effectiveness of implementation of, the audit plans of the internal auditors;
- (g) reports from the internal auditors on their audit findings, management responses and action plans in relation to those findings, and reports from the internal auditors on the implementation of those action plans; and
- (h) the level of open communication between the internal auditors, the external auditors and the Board.

5.3 External Audit

The Committee must monitor and review:

- (a) the process for selecting the external auditors, and make appropriate recommendations to the Board regarding the appointment, re-appointment and removal of the external auditors;
- (b) the independence, objectivity and effectiveness of the external auditors, and in particular assess whether the Committee is satisfied that the independence of the external auditors has been maintained, having regard to the provision by the external auditors of any non-audit related services;
- (c) the rotation of the external auditors' engagement partners at agreed intervals;
- (d) recommendations to the Board with regard to the fees payable to the external auditors, which fees must be commensurate with the conduct of an effective and comprehensive audit;
- (e) the performance by the external auditors of any non-audit related work in accordance with the Non-Audit Services Protocol;
- (f) any management or other restrictions being placed on the external auditors;
- (g) the proposed audit plans of the external auditors, including the nature, scope, materiality level and procedures of the audit plan;
- (h) compliance with, and the quality and effectiveness of implementation of, the audit plans of the external auditors; and
- (i) reports from the external auditors in relation to their major audit findings, management responses and action plans in relation to those findings, and reports from the external auditors on the implementation of those action plans.

5.4 Risk Management Oversight

The Committee must, in conjunction with management, monitor and review:

- (a) Scentre Group's policies established by management regarding risk oversight and risk management which should be incorporated in an Enterprise Risk Management Policy and an Enterprise Risk Management Framework;
- (b) at least on annual basis, the appropriateness of the Enterprise Risk Management Policy and the Enterprise Risk Management Framework and control systems adopted by Scentre Group; and
- (c) Scentre Group's continuing processes for:
 - (i) the identification of material financial, legal and operational risks associated with the conduct of the business of Scentre Group, and whether they remain within the risk appetite set by the Board;
 - (ii) the identification of any material exposure to economic, environmental and social sustainability risks;
 - (iii) the maintenance of appropriate internal control systems designed to manage and mitigate key risk areas; and
 - (iv) monitoring and reporting against compliance with the Enterprise Risk Management Policy and the Enterprise Risk Management Framework.

5.5 Insurance

The Committee must review the Group's insurance program at least annually having regard to Scentre Group's business and insurable risks associated with that business.

5.6 Compliance

The Committee must monitor and review:

- (a) Scentre Group's framework for identifying, monitoring and managing compliance with laws and regulations;
- (b) Scentre Group's policies and practices for detecting, reporting and preventing fraud, serious breaches of codes of conduct and whistleblowing procedures;
- (c) Scentre Group's procedures for receiving and acting on complaints regarding accounting practices, internal accounting controls or auditing matters; and
- (d) regular reports from the General Counsel in respect of the matters referred to in (a) and (b) above and the Chief Financial Officer in respect of the matters referred to in (c) above.

5.7 Anti-bribery and Corruption

The Committee must:

- (a) monitor and review Scentre Group's corporate policies and procedures relating to management of risks associated with bribery and corruption; and
- (b) monitor and review Scentre Group's compliance with (including the quality and effectiveness of implementation) anti-bribery and corruption policies.

5.8 Related Party Transactions / Conflicts of Interest

The Committee must:

- (a) monitor and review management's procedures and policies for identifying and (where appropriate) managing all related party transactions or potential or actual conflicts of interest that arise in relation to the business of Scentre Group and overseeing the implementation of such policies and procedures;
- (b) evaluate all related party transactions which the Committee becomes aware of or which management reports to the Committee;
- (c) evaluate all potential or actual conflicts of interest which the Committee becomes aware of or which management reports to the Committee including assessing whether a particular conflict of interest situation is manageable or whether it must be avoided; and
- (d) make recommendations to the Board in connection with managing related party transactions and any conflict of interest situations.

5.9 Other Matters

The Committee may undertake any special projects or investigations which the Committee considers necessary, or as may be requested by the Board.

SECTION 6

Reporting to the Board

The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must:

- (a) report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities; and
- (b) attend the Board meeting at which Scentre Group's financial statements are approved.

The Committee will refer to any Board committee any matters that have come to the attention of the Committee that are relevant for that Board committee.

Proceedings

7.1 Frequency

- (a) The Committee will meet as frequently as required but must meet not less than three times a year.
- (b) The Secretary to the Committee or any member may call a meeting of the Committee.

7.2 Notice

The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee as far in advance as possible.

7.3 Supporting Papers

Supporting papers for each meeting of the Committee will be distributed by the Secretary to all members of the Committee as far in advance as possible and where possible by the last working day of the week preceding the meeting.

7.4 Attendance

- (a) Any director may attend meetings of the Committee. Only members of the Committee are entitled to vote on a resolution of the Committee.
- (b) The Committee may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may meet with:
 - (i) the internal auditors;
 - (ii) the external auditors;
 - (iii) external advisers;
 - (iv) any executive or employee including any executive Director; or
 - (v) the Chair of the Board or any other Director,and may do so with or without executive management being present.
- (c) The Committee must meet with the internal and external auditors at least once a year without executive management being present.

7.5 Quorum

A quorum for a meeting of the Committee is two members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers or discretions vested in, or exercisable by, the Committee.

7.6 Chair

- (a) In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.
- (b) The Chair of the Committee does not have a casting vote in addition to his deliberative vote.

7.7 Constitution

Proceedings of the Committee will be governed by the provisions of the constitutions of each of Scentre Group Limited, Scentre Management Limited, RE1 Limited and RE2 Limited, in so far as they may be applicable and not inconsistent with this charter.

7.8 Company Secretary

The Company Secretary will act as Secretary to the Committee, unless otherwise determined by the Committee.

7.9 Minutes

Minutes of meetings of the Committee will, following preliminary approval by the Chair, be circulated to Committee members for confirmation. Copies of all minutes will be included in the papers for the next Board meeting.

7.10 Conflicts of Interest

Members of the Committee will not participate in discussions and will not vote on any issue in respect of which there is an actual or perceived conflict of interest.

SECTION 8

Authorities

8.1 Authority of the Committee

The Committee is authorised to investigate any activity or function of Scentre Group in accordance with this Charter. The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from such investigations.

8.2 Access

The Committee has unrestricted access to executive management, all employees and all Scentre Group records, tax and other financial advisers, legal advisers, and internal and external auditors.

8.3 Independent advice

The Committee or any member of the Committee is authorised (at the cost of Scentre Group) to obtain outside legal or other independent professional advice, and to secure the attendance of such advisers if it is considered necessary for the proper performance of the Committee's functions under this Charter. The member should first contact the Chair of the Committee and the Company Secretary who will, if required by the Chair or by the member, assist in procuring that professional advice.

SECTION 9

Review

9.1 Committee's Performance Evaluation

The Committee will review its performance on an annual basis in accordance with the processes established by the Board and will report the findings of that review to the Board. The performance evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities under this charter.

9.2 Review of charter and Non-Audit Services Protocol

This Charter and the Non-Audit Services Protocol will be reviewed annually by the Committee to keep them up to date and consistent with the Committee's objectives and responsibilities.

Non-Audit Services Protocol

SECTION 1

Purpose

The purpose of this Protocol is to ensure that Scentre Group's auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of Scentre Group. For this purpose, the standard adopted by Scentre Group for determining independence is the standard imposed by legislation (including the Corporations Act 2001(Cth)), regulation or Australian or international auditing standards applicable to:

- (a) an Australian listed entity; or
- (b) Scentre Group by reason of any other aspect of Scentre Group's business operations or activities from time to time.

Scentre Group recognises that its auditor has a unique relationship with Scentre Group. As a consequence there are certain non-audit services which the auditor is well placed to provide in a cost efficient and timely manner.

This Protocol provides guidelines under which Scentre Group can engage the auditor to provide certain non-audit services without impairing the auditor's objectivity or independence. It also identifies the roles and responsibilities of each of the auditor, Scentre Group's executives and the Committee in implementing the policies and procedures set out in this Protocol.

Terms defined in this Protocol have the same meaning as in the Audit and Risk Committee Charter unless the contrary intention appears.

SECTION 2

Corporate governance and independence

A high quality, independent statutory audit is fundamental to the maintenance of sound corporate governance and to the proper functioning of the capital markets. It is an integral part of the process of providing investors with reliable, comprehensive and clear financial information upon which to base their decisions.

This Protocol reflects Scentre Group's desire to preserve the independence of the statutory audit process.

Scentre Group has developed a series of guidelines and procedures to ensure the provisions of this Protocol are implemented and observed on a continuing basis.

Appointment and remuneration of the Auditor

As a reflection of Scentre Group's commitment to maintaining the integrity and independence of the statutory audit, Scentre Group acknowledges that:

- (a) the Committee is responsible for making recommendations to the Board regarding the appointment of the auditor to provide audit services (which may include providing letters of comfort in connection with securities underwritings). The auditor is required to have regular communication, and meetings with, the Committee.
- (b) the auditor must be fairly rewarded for the agreed scope of the statutory audit and audit-related services, following a reasonable arm's length commercial negotiation and having regard to market benchmarking.

Classification of non-audit services

Scentre Group considers that the provision of certain non-audit services and the level of non-audit fees paid to the auditor can give rise to conflicts of interest or an actual or perceived loss of objectivity. Scentre Group has prepared a list of potential services which the auditor may have the technical competence to provide. Each of these potential services has been classified into one of the following categories:

- Category A: Non audit services which may or may not impact the actual or perceived independence of the auditor's ongoing assurance engagements and which may be provided by the auditor having regard to the legal and other constraints implied in the standard referred to in section 1.
- Category B: Non audit services which will impact the actual or perceived independence of the auditor's ongoing assurance engagements and are considered prohibited services having regard to the legal and other constraints implied in the standard referred to in section 1.

Category A services may only be provided by the statutory auditor in accordance with section 5 below. Scentre Group will not engage the statutory auditor to provide Category B services.

The Committee will consider periodically the appropriateness of the description and classification of the services and may amend the list of services as appropriate. Potential services not contemplated by the list will be deemed to be Category B matters unless otherwise determined by the Committee.

Irrespective of the general classification of any non-audit service, if the Committee (or its delegate), the Chief Executive Officer, the Chief Financial Officer or the auditor considers that in the particular circumstances in which the non-audit service is to be provided, the actual or perceived independence of the auditor may be impaired, then the auditor will not be commissioned to provide that service.

SECTION 5

Approval of non-audit services

Before the auditor is engaged to provide Category A services, the prior approval of the Chairman of the Committee (or another independent Committee member nominated by the Chairman) will be required. As part of the request for approval, the auditor and management will be required to list reasons why the giving of approval will not compromise the independence of the auditor. The request for approval should also include a schedule showing fees for non-audit services paid to the auditor for the year-to-date, split into the various categories of services, as well as the projected fees payable in connection with the proposed engagement.

The decisions made by any member of the Committee acting as a delegate must be presented for ratification by the Committee at its next scheduled meeting.

SECTION 6

Periodic reporting

At least annually, the Chief Financial Officer and the auditor will provide a report to the Committee which confirms, in respect of the immediately preceding 12 month period:

- (a) the scope of non-audit services provided by the auditor (split into the various categories of service);
- (b) the fees (per assignment and in aggregate) paid by the Group for the provision of those services;
- (c) each of the matters referred to in section 9.

SECTION 7

Rotation of audit partner

Scentre Group will require the auditor to commit to rotating the lead (or coordinating) audit partner (having primary responsibility for the audit) and the audit partner responsible for reviewing the audit for each member of the Group every five years. A succession plan to achieve this outcome must be prepared by the auditor and submitted to the Committee for approval no later than one year before the rotation is due to occur.

SECTION 8

Restrictions on employment of audit personnel

Any person who was employed by the audit firm (and participated in the statutory audit of a member of Scentre Group in any capacity) at any time in the two year period immediately preceding the date of the proposed appointment by Scentre Group, will not be permitted to serve in a senior executive role with Scentre Group. A "senior executive role" is defined to include the roles of Chief Executive Officer, Chief Financial Officer, General Manager or any equivalent role.

A former partner or any other professional member of the audit team of a firm that acted in the capacity of statutory auditor of Scentre Group may hold the position of director of a Scentre Group entity provided that person has not been employed by that audit firm at any time during the preceding three years. Where such an appointment is proposed, the Committee must provide a report to the Nominations Committee of Scentre Group Limited advising why the appointment would not compromise, or be likely to give rise to the appearance of compromising, the statutory audit.

No more than one former partner of the audit firm which acted as the statutory auditor may at any time be a director or senior executive of Scentre Group.

SECTION 9

Annual confirmation from statutory auditor

The auditor will confirm to the Committee (at least annually) that:

- It has complied with the terms of this Protocol and with the intended scope of this Protocol as implied by the standard referred to in section 1.
- It is of the view that the independence of the auditor has been maintained.
- The auditor and its partners do not have any financial interest in any entity which is part of Scentre Group or in any trust in respect of which a member of Scentre Group is the responsible entity (collectively, the **Extended Scentre Group**).
- The current service team members of the auditor do not have any financial interest in the Extended Scentre Group.
- Except as contemplated by this Protocol, there are no business interests between the Extended Scentre Group and the auditor.
- The superannuation fund of the partners of the statutory auditor do not hold any direct financial interest or any material indirect financial interest in the Extended Scentre Group other than in the case of an independently managed fund.
- The staff superannuation fund of the auditor does not hold any direct financial interest or any material indirect financial interest in the Extended Scentre Group other than in the case of an independently managed fund.
- No portion of fees paid by the Extended Scentre Group to the auditor is paid on a contingency basis.
- The total fees received by the auditor in each national jurisdiction from the Extended Scentre Group do not have a material impact on its operations or financial conditions in that jurisdiction.
- Scentre Group has not withheld fees from the auditor.
- To the best of the auditor's knowledge, there is no litigation between a member of the Extended Scentre Group and the auditor.

The Committee will confirm annually to the Board of Directors that the auditor has given the confirmation referred to in this section 9.

Ongoing safeguards

From time-to-time this Protocol will be reviewed in the context of ongoing changes in the legal, accounting and governance requirements applicable to Scentre Group so that it remains relevant and consistent with the standards referred to in paragraph 1 as well as market and shareholder expectations. Scentre Group will ensure that the processes designed to ensure the proper implementation of this Protocol are carried out as required. These processes include:

- regular review by the Committee of the compliance process and related sign-offs; and
- internal control reviews conducted by Scentre Group's Business Review and Audit department or compliance functions of Scentre Group, as may be requested by the Committee from time to time.