



Westfield Group

Audit and Compliance Committee Charter

Westfield Holdings Limited

(ABN 66 001 671 496)

Westfield Management Limited

(ABN 41 001 670 579)

Westfield America Management Limited

(ABN 66 072 780 619)

1. Establishment of Committee

This Charter sets out the basis on which each Board has established an Audit and Compliance Committee pursuant to the Constitutions of each of Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited.

2. Interpretation

ASX means ASX Limited.

Board means the Board of Directors of each of Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited.

Committee means the Audit and Compliance Committee of each Board.

Directors mean the members of the Board.

Westfield Group or Group means each of Westfield Holdings Limited, Westfield Trust, Westfield America Trust and their controlled entities.

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 integrity and reliability of financial statements;
 - (ii) internal financial controls;
 - (iii) the objectivity and effectiveness of the internal auditors;
 - (iv) the independence, objectivity and effectiveness of the external audit function;
 - (v) the adequacy of practices and procedures with respect to compliance with applicable laws and actual compliance with these laws; and
 - (vi) the corporate policies for identifying and managing relevant risks associated with the business.
- (b) Making recommendations to the Board in relation to the appointment of the external auditors, and approving the remuneration and terms of their engagement.

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 Board's 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 Non-Executive Directors.
- (c) A majority of members of the Committee must be independent Directors, as determined by the Board.
- (d) The Chair of the Committee (other than a Chair elected under paragraph 5.6):
 - (i) will be elected by the Board;
 - (ii) must be a member of the Committee;
 - (iii) must be an independent Director; and
 - (iv) 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) At least one member of the Committee must have a significant relevant understanding of the business of the Westfield Group.
- (c) The Committee must ensure that its members understand the Westfield Group's structure, controls and typical transactions in order to adequately assess the significant risks faced by the Westfield Group.

4.3 Company Secretary

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

5. Proceedings

5.1 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.

5.2 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.

5.3 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.

5.4 Attendance

- (a) Only members of the Committee are entitled to be present at a Committee meeting.
- (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) any Non-Executive Director who is a member of any committee performing functions which are relevant to the duties and responsibilities of the Committeeand 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.

5.5 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.

5.6 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.

5.7 Constitution

Proceedings of the Committee will be governed by the provisions of the Constitutions of each of Westfield Holdings Limited, Westfield Management Limited and Westfield America Management Limited, in so far as they may be applicable.

5.8 Minutes

Minutes of meetings of the Committee, signed by the Chairman, will be distributed to members for confirmation as soon as practicable after each meeting and tabled for discussion at the next Board meeting.

5.9 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.

6. Authorities

6.1 Authority of the Committee

The Committee is authorised to investigate any activity or function of the Westfield Group and, so far as practicable, its associates, in accordance with this Charter. The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from such investigations.

6.2 Access

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

6.3 Independent advice

The Committee or any member of the Committee is authorised (at the cost of the Westfield 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 Chairman of the Committee and the Company Secretary who will, if required by the Chairman or by the member, assist in procuring that professional advice.

7. Duties and Responsibilities

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

7.1 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 (and not other financial reports or information released by the Group from time to time except where a specific delegation of responsibility is made by the Board to the Committee) 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; and
- (g) the clarity and adequacy of the financial reports.

7.2 Internal Auditors

The Committee must monitor and review:

- (a) any proposed change to the head of internal audit;
- (b) whether the internal auditors are adequately resourced, 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 internal audit function has (and is aware that he has) direct access to the Committee Chair and the Chair of the Board;
- (e) the proposed audit plans of the internal auditors, including the scope 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.

7.3 External Auditors

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 access whether the Committee is satisfied that the independence of the external auditors has been maintained, having regard to the provision by the external auditor of any non-audit related services;
- (c) the rotation of the external auditors' engagement partners at agreed intervals;
- (d) and recommend to the Board, 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 Charter of Non-Audit Services;
- (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.

7.4 Other Matters

The Committee:

- (a) may undertake any special projects or investigations which the Committee considers necessary, or as may be requested by the Board; and
- (b) in conjunction with management, must establish procedures for receiving and acting on complaints regarding accounting practices, internal accounting controls or auditing matters whether received from employees or otherwise and whether or not provided on a confidential or anonymous basis.

8. 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 the Company's financial statements are approved.
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