



# **Westfield Group**

## **Charter of Non-Audit Services**

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. Purpose

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The purpose of this Charter is to ensure that the Westfield Group's auditor carries out the statutory audit function in a manner which is, at all times, demonstrably independent of the Group. For this purpose, the standard adopted by the Group for determining independence is the highest standard imposed by legislation (including the Corporations Act 2001 and the Sarbanes Oxley Act of 2002), regulation or Australian or international auditing standards applicable:

- (a) to an Australian listed entity;
- (b) to a registered issuer of debt in the United States or any other relevant jurisdiction; or
- (c) to the Westfield Group by reason of any other aspect of the Group's business operations or activities from time to time.

The Westfield Group recognises that its auditor has a unique relationship with the Westfield Group, based on the auditor's access to the Group's personnel and its books and records, knowledge of the Group's history and the industry within which Westfield operates. 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 Charter provides guidelines under which the Westfield 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, the Group's executives and the Committee in implementing the policies and procedures set out in this Charter.

## 2. Interpretation

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**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. Corporate Governance and Independence

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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 Charter reflects the Group's desire to preserve the independence of the statutory audit process.

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

#### **4. Appointment and Remuneration of the Auditor**

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As a reflection of the Westfield Group's commitment to maintaining the integrity and independence of the statutory audit, the 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.

#### **5. Classification of Non-Audit Services**

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The Westfield 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. The Westfield 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 paragraph 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 paragraph 1.

Category A services may only be provided by the statutory auditor in accordance with paragraph 5 below. The Westfield 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 Group 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.

#### **6. Approval of Non-Audit Services**

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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.

## **7. Periodic Reporting**

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At least annually, the Group 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 paragraph 10.

## **8. Rotation of Audit Partner**

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The Westfield 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 (1) year before the rotation is due to occur.

## **9. Restrictions on Employment of Audit Personnel**

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Any person who was employed by the audit firm (and participated in the statutory audit of a member of the Westfield Group in any capacity) at any time in the two year period immediately preceding the date of the proposed appointment by the Group, will not be permitted to serve in a senior executive role with the Westfield Group. A “**senior executive role**” is defined to include the roles of Chief Executive Officer, Chief Operating Officer, Group Chief Financial Officer, Deputy Group 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 the Group may hold the position of director of a Group entity provided that person has not been employed by that audit firm at any time during the preceding two years. Where such an appointment is proposed, the Committee must provide a report to the Nominations Committee of Westfield Holdings 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 the Group.

## **10. Annual Confirmation from Statutory Auditor**

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

- It has complied with the terms of this Charter and with the intended scope of this Charter as implied by the standard referred to in paragraph 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 the Westfield Group or in any trust in respect of which a member of the Westfield Group is the responsible entity (collectively, the “Extended Westfield Group”);
- The current service team members of the auditor do not have any financial interest in the Extended Westfield Group;
- Except as contemplated by this Charter, there are no business interests between the Extended Westfield 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 Westfield 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 Westfield Group other than in the case of an independently managed fund;
- No portion of fees paid by the Extended Westfield Group to the auditor is paid on a contingency basis;
- The total fees received by the auditor in each national jurisdiction from the Extended Westfield Group do not have a material impact on its operations or financial conditions in that jurisdiction;
- The Westfield 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 Westfield 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 paragraph 10.

## **11. Ongoing Safeguards**

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From time-to-time this Charter will be reviewed in the context of ongoing changes in the legal, accounting and governance requirements applicable to the Group so that it remains relevant and consistent with the standards referred to in paragraph 1 as well as market and shareholder expectations. The Westfield Group will ensure that the processes designed to ensure the proper implementation of this Charter 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 the Westfield Group Business Review and Audit department or the Compliance Officer of the Group, as may be requested by the Committee from time to time.
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