

Audit Committee Charter

1 Composition

The Audit Committee must comprise at least three members.

Where possible, all members of the Committee must be non-executive Directors and a majority must be independent non-executive Directors in accordance with the criteria set out in Annexure A.

The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.

All members of the Committee must be able to read and understand financial statements.

The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent (if possible).

The Chairman shall have leadership experience and a strong finance, accounting or business background.

The external auditors, the other Directors, the Chief Executive Officer, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

All members of the Audit Committee must be financially literate (that is, be able to read and understand financial statements); at least one member must have relevant qualifications and experience (that is, should be a qualified accountant or other finance professional with experience of financial and accounting matters); and some members should have an understanding of the industry in which the Company operates.

From time to time, non-Committee members may be invited to attend meetings when audit matters are being discussed, if it is considered appropriate.

The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

2 Role

The role of the Audit Committee is to review and make recommendations to the Board in relation to:

- (a) the adequacy of the Company's corporate reporting processes;
- (b) whether the Company's financial statements reflect the understanding of the Board, and otherwise provide a true and fair view of, the financial position and performance of the Company;
- (c) the appropriateness of the accounting judgments or choices exercised by management in preparing the Company's financial statements;
- (d) the appointment or removal of the external auditor, the rotation of the audit engagement partner, the scope and adequacy of the external audit, the independence and performance of the external

auditor and any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;

- (e) the Company's internal financial control system;
- (f) compliance with the Company's Code of Conduct and Whistleblower Policy; and
- (g) if the Company has an internal audit function:
 - (i) the appointment or removal of the head of internal audit;
 - (ii) the scope and adequacy of the internal audit work plan; and
 - (iii) the objectivity and performance of the internal audit function; and
- (h) any incident involving fraud or other break down of the Company's internal controls; and
- (i) perform such other functions as assigned by law or the Company's Constitution.

Ultimate responsibility for a Company's financial statements rests with the full Board.

3 Responsibilities

Review of Financial Reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the half yearly and annual results.

Relationship with External Auditors

- (h) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (i) Review performance, succession plans and rotation of lead engagement partner.
- (j) Approve the external audit plan and fees proposed for audit work to be performed.
- (k) Discuss any necessary recommendations to the Board for the approval of half yearly or annual reports.
- (l) Review the adequacy of accounting and financial controls together with the implementation of any

recommendations of the external auditor in relation thereto.

- (m) Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- (n) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (o) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (p) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (q) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.

Internal Audit Function

- (r) Monitor the need for a formal internal audit function and its scope.
- (s) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (t) Review risk management and internal compliance procedures.
- (u) Monitor the quality of the accounting function.
- (v) Review the Internal Control Reports, if any, on a quarterly basis.

4 Meetings

The Committee will meet at least each financial half year and additionally as circumstances may require for it to undertake its role effectively.

Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.

Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.

A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.

Decisions will be based on a majority of votes with the Chairman having a casting vote.

The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next Board meeting.

Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

5 Secretary

The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

6 Reliance on information or professional or expert advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Company in relation to matters within the Director's or officer's authority.

7 Access to advice

Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.

Members of the Committee may meet with the auditors, both internal and external, without management being present.

Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

8 Reporting to the Board and shareholders

The Committee must report to the Board formally at the next Board meeting after each Committee meeting on matters relevant to the Committee's role and responsibilities.

The Committee must brief the Board promptly on all urgent and significant matters.

The Chair of the Audit Committee, if appointed, is to be present at the annual general meeting to answer questions, through the Chair of the Board.

9 Review of Charter

The Board will review this Audit Committee Charter at least annually, and update it as required.