

1. Overview

The Board has established an Audit Committee to assist in discharging its responsibilities in relation to the reliability and integrity of financial statements, financial reports and the annual report; protection of the Company's capital; maintenance of internal control systems and risk management framework; overseeing the Company's relationship with external auditors, and maintaining the independence of auditors; and the review of performance, and nomination of, external auditors.

In particular, the Committee is to undertake the functions of the Audit Committee referred to in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Committee is a committee of the Board and has no authority independent of the functions delegated to it and is to report its findings and recommendations directly to the Board. The functions of the Committee do not relieve the Board from any of its responsibilities.

This Audit Committee Charter (Charter) sets out the functions and responsibilities of the Committee and details the manner in which the Committee will operate.

2. Duties and Responsibilities

The Committee will:

Financial Records & Reporting

- (a) ensure accounting records are properly maintained in accordance with statutory requirements, and financial information provided to investors and the Board is accurate and reliable;
- (b) monitor compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- (c) review (in consultation with management and the external auditors) the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports to determine whether they are appropriate and in accordance with generally accepted practices;
- (d) review financial or reporting impacts of changes in accounting standards or other requirements relating to the preparation of financial statements;
- (e) review and recommend to the Board the draft annual and interim financial statements;
- (f) review Management's representations and declarations in regard to preparation of financial statements;

External Audit

- (a) review procedures for the selection and appointment of the external auditor and recommend to the Board, as and when appropriate, the appointment and termination of the external auditor;
- (b) review and approve the scope and adequacy of the annual audit programme or audit plan;
- (c) review and approve any engagement fees or terms proposed by the external auditors;
- (d) review the findings and recommendations of the auditor;
- (e) review the effectiveness of the annual audit and the performance of the external auditor;
- (f) review the independence of the external auditor and matters which may lead to an actual or perceived lack of independence such as audit partner rotations and the nature and quantum of non-audit services;
- (g) at least annually, meet with the external auditor without Management present;

- (h) provide the external auditors with unrestricted and confidential access to the Committee Chair or, if deemed appropriate by the external auditors, the Chairman of the Board. The external auditors will be instructed to immediately contact the Committee Chair if Management places unreasonable restrictions on access by the external auditors or there are significant unresolved issues between Management and the external auditors;

Controls

- (a) ensure the system of internal control, which management has established, effectively safeguards the assets of the Company;
- (b) review the effectiveness of the reporting, compliance and control systems relating to financial reporting;

Risks

- (a) review the effectiveness of the enterprise risk management framework in identifying, monitoring and managing significant business risks;

Other

- (a) such other matters as the Board may refer to the Committee from time to time.

3. Access to Information and Advice

The Company is to provide the Committee with sufficient resources to undertake its duties.

4. Composition of the Committee

The Board will make all appointments to the Committee by resolution.

The Audit Committee shall comprise of at least three members, all of whom are non-executive, and a majority of whom are independent directors; be chaired by an independent director, who is not the chair of the board; and between its members, have sufficient accounting and financial expertise to be able to discharge the Committee's responsibilities.

From time to time, non-Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

5. Administration

5.1 Meetings

The Committee will meet at least twice a year and otherwise as required. The Company Secretary or their designate shall be the secretary of the Committee. Any Committee member may convene a Committee meeting. A Committee meeting may also be convened by the Company Secretary, if requested by a Committee member. Reasonable notice must be given to every Committee member of every Committee meeting. All Committee members have the right to contribute to the agenda for any Committee meeting.

5.2 Quorum and Voting

A quorum consists of two Committee members. Each member will have one vote. The Chairperson will not have a casting vote where there is a tied vote. In the case of a tied vote, the motion will lapse.

5.3 Minutes and Reporting

Minutes of all meetings of the Committee are to be kept by the secretary. Minutes of Meetings are to be distributed to the Board at the next Meeting of the Board.