



AUDIT COMMITTEE CHARTER

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1. ROLE

1.1 The role of the Committee

The Audit Committee (Committee) will assist the Board to meet its oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management procedures, and the external audit function.

2. DUTIES

2.1 Internal control and risk management

The Committee will keep under review the effectiveness of the Company's financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of risks.

2.2 External Audit

The Committee will:

- (a) consider and make recommendations to the Board as regards the appointment and re-appointment of the Company's external auditors;
- (b) meet with the external auditors at least twice each year; and
- (c) keep under review the Company's relationship with the external auditors, including (but not limited to):
 - (i) their independence and objectivity;
 - (ii) their performance;
 - (iii) the audit fees; and
 - (iv) the nature and quantum of non-audit services provided by the external auditor, including the amount of fees paid for such services.

2.3 Financial Reports

The Committee will:

- (a) keep under review the consistency of accounting policies both on a year to year basis and across the Company; and
- (b) review and challenge where necessary the Company's financial reports taking into account:
 - (i) accounting policies and practices and any changes in them;
 - (ii) decisions requiring a major element of judgement;
 - (iii) the extent to which the financial statements are affected by any unusual transactions;
 - (iv) the clarity of disclosures;
 - (v) significant adjustments resulting from the audit;
 - (vi) the going concern assumption;
 - (vii) compliance with accounting standards;
 - (viii) compliance with stock exchange and other legal requirements; and
 - (ix) the Managing Director and Chief Executive Office (CEO) and the Chief Financial Office (CFO or equivalent) statements to the board.

2.4 Reporting responsibilities

The Chairman of the Committee will report to the Board, at the next following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement or approval.

The Committee will report to the Board annually, on all matters relevant to the performance of its role and the discharge of its duties during the period, having regard to the duties of the Committee as set out in this Charter and Recommendation 4.4 of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

3. COMPOSITION

3.1 Composition of the Committee

The Committee will be appointed by the Board and shall be composed of:

- (a) at least three Directors;
- (b) a Chairman, also appointed by the Board, who is one of those non-executive Directors and who is not the Chairman of the Board; and
- (c) Directors who are financially literate and where possible, have at least one Director possessing accounting or relevant financial expertise.

4. ATTENDANCES

4.1 Chairman attendances

The Chairman of the Board may attend meetings, ex officio.

4.2 Attendance by invitation

The CEO/MD, the CFO, Company Secretary or his/her nominee (acting as meeting secretary) and representative(s) of the external auditors attend meetings by invitation.

5. MEETINGS

5.1 Frequency

The Committee will hold two regular meetings a year (specifically held to review the half year and annual accounts) and such additional meetings as the Chairman of the Committee shall decide in order for the Committee to fulfil its duties.

5.2 Agenda and minutes

The Company Secretary (or nominee as secretary to the Committee) will:

- (a) in conjunction with the Chairman of the Committee settle agendas for and arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business;
- (b) distribute agendas and supporting papers to members of the Committee at least three (3) days in advance of the relevant meeting; and
- (c) keep and distribute minutes of each meeting.

5.3 Quorum

The quorum for a meeting of the Committee will be a majority of the members.

6. AUTHORITY

6.1 Authority of the Committee

The Committee is authorised to:

- (a) resolve any disagreements between management and the external auditors regarding the Company's financial reporting;
- (b) seek any information it requires from any employee of the Company and from the external auditor in order to perform its duties.
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter;
- (d) call any member of staff to be questioned at a meeting of the Committee as and when required; and
- (e) approve accounting policies and procedures and auditing methodology. Issues of material importance however will be referred to the Board with the Committee's recommendation.