

## AUDIT COMMITTEE CHARTER

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### 1. COMPOSITION

An Audit Committee is to be maintained, comprising at least two non-executive directors with at least one director also being independent, if possible.

The Audit Committee should be of sufficient size, independence and technical expertise to discharge its mandate effectively.

The Audit Committee will appoint a Secretary to the Committee.

### 2. ROLE

The role of the Audit Committee is to safeguard the integrity of the Company's financial reporting and oversee the independence of the external auditors.

### 3. OPERATIONS

The Audit Committee is to meet at least annually and otherwise as required. Minutes of all meetings of the Audit Committee are to be kept.

### 4. RESPONSIBILITIES

The charter of the Audit Committee is to:

- review the annual, half-year and concise (if any) financial reports and other financial information distributed externally, including new accounting policies, to ensure compliance with International Accounting Standards and generally accepted accounting principles;
- monitor corporate risk assessment processes;
- consider whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor is to provide an annual declaration of independence;
- monitor the Company's external auditors from year to year to ensure independence and quality of service. Any need for change will result in seeking proposals from suitably experienced firms;
- require external auditors to comply with the rotation requirements outlined in the Corporations Act (no more than five straight years or five years in seven with a two year break);
- monitor the establishment of appropriate ethical standards;
- monitor the procedures to ensure compliance with the Corporations Act and the ASX Listing Rules and all other regulatory requirements;
- address any matters outstanding with auditors, Australian Taxation Office (**ATO**), Australian Securities and Investments Commission (**ASIC**), ASX Limited (**ASX**) and financial institutions;
- review the performance of the external auditors on an annual basis and meet with them during the year as follows:

## AUDIT COMMITTEE CHARTER continued

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- to discuss the external audit, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- to review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings;
- to recommend Board approval of these documents and to finalise half-year and annual reporting;
- review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made;
- review the draft financial report and recommend Board approval of the financial report; and
- organise, review and report as required on any special reviews or investigations deemed necessary by the Board.