



## **Audit Committee Charter**

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## **1. Composition of the Audit Committee**

The Audit Committee is comprised of 3 independent non-executive Directors.

At least one member is to have relevant qualifications and experience.

From time to time, other Directors and non Board members may be invited to attend Audit Committee meetings if it is considered appropriate.

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## **2. Role of the Audit Committee**

The Audit Committee's role is to:

- (a) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;
- (b) review the Company's internal financial control system and, unless expressly addressed by a separate risk committee, risk management systems;
- (c) monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- (d) monitor and review compliance with the Company's Code of Conduct; and
- (e) perform such other functions as assigned by law or the Company's Constitution.

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## **3. Operations**

The Audit Committee shall meet at least half yearly, with further meetings on an as required basis. Minutes of all such meetings are to be kept and the meetings are to be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

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## **4. Authority and Resources**

- (a) The Audit Committee may seek provision of educational information on accounting policies and other financial topics relevant to the Company, to assist in fulfilling their duties. Further, the Audit Committee may seek explanations and additional information from the Company's external auditors, without management present, when required.
- (b) When considered necessary or appropriate, the Audit Committee may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

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## **5. Reporting to the Board and Shareholders**

To assist the Board to carry out its audit function, the Audit Committee should compile a report, at least annually, on the following matters:

- (a) assessment of whether external reporting is consistent with Board members' information and knowledge and is adequate for shareholder needs;
- (b) assessment of the management processes supporting external reporting;
- (c) recommendations for amending the Company's procedures regarding the external auditor and procedures for the rotation of external audit engagement partners;
- (d) assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Board is satisfied that provision of those services has not compromised the auditor's independence; and
- (e) the results of the Audit Committee's review of risk management and internal control systems.

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.

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## **6. Responsibilities**

Annual responsibilities of the Audit Committee are as set out in the Audit Committee Charter – Annual Action Points contained in Schedule 1.

## **Schedule 1 – Audit Committee Charter – Annual Action Points**

### **1. Financial Reporting and Internal Controls**

- (a) Review half-year, annual and, if applicable, quarterly financial statements.
- (b) Assess management's selection of accounting policies and principles.
- (c) Consider the external audit of the financial statements and the external auditor's report thereon including an assessment of whether external reporting is consistent with Board members' information and knowledge.
- (d) Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other risks if authorised).
- (e) Assess if the external auditors report is adequate for shareholder needs.

### **2. Annual meeting with External Auditor**

- (a) Discuss the Company's choice of accounting policies and methods, and any recommended changes.
- (b) Discuss the adequacy and effectiveness of the Company's internal controls.
- (c) Discuss any significant findings and recommendations of the external auditor and management's response thereto.
- (d) Discuss any difficulties of disputes with management encountered during the course of the audit including any restrictions or access to required information.

### **3. External Auditor**

- (a) Review the Company's procedures regarding the external auditor.
- (b) Appoint and, if necessary, remove the external auditor and approve the terms on which the external auditor is engaged.
- (c) Establish/review permissible services that the external auditor may perform for the Company and pre-approve all audit/non-audit services.
- (d) Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees.
- (e) Assess the overall performance of the external auditor.

### **4. Other**

- (a) Verify the composition of the Audit Committee function is in accordance with the Audit Committee Charter.
- (b) Review the independence of each Board member based on the Company's Policy on Assessing the Independence of Directors.
- (c) Review and update the Audit Committee Charter and Action Points.
- (d) Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's Code of Conduct.