

Audit Committee Charter

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Role and Responsibilities

The role of the Audit Committee (“the Committee”) is to represent and assist the Board in relation to external audit and the identification and management of financial and other business risks and the development of recommendations for strategically addressing the identified more significant risks.

The Committee’s responsibilities are described in the Governance Charter, these being:

- in conjunction with the internal and external auditors, assure the integrity of financial statements;
- recommend to the Board appointment and review of the performance of the external auditor;
- determine the remuneration of the external auditor;
- oversee the integrity of the internal and external audit process; and
- implement a process to identify the likelihood and impact of financial and other risks to the business and ensure that appropriate strategies are developed for Board consideration.

Committee Membership

The Committee will be chaired by an independent, non-executive director of the company. Membership of the Committee will be determined by the Board and will include at least two directors (other than the Chief Executive Officer), and the Company Secretary (Committee Secretary).

The Chief Executive Officer and Chief Financial Officer may be invited to meetings but will be excused from discussions if the Committee so determines.

External auditors will be invited to attend meetings as required.

Detailed Responsibilities

Overseeing the External Audit Processes

The Committee, in conjunction with the external auditors will develop an integrated audit approach to ensure adequate internal controls exist to monitor and manage financial risk and business risk. The Committee will ensure that areas of financial risk identified by the Committee and by management are included in both the external and internal audit programs.

Identification and Management of Financial Risk

The Committee will ensure that executive management has a satisfactory framework for financial and other business risk (including economic, environmental and social sustainability risk) identification and a management program in each business unit. The program is to include:

1. **Review of operating activities** – reviewing the economy, efficiency and effectiveness of operating activities, including non-financial activities of an entity and recommending and assisting with improvements.
2. **Review of compliance with laws and regulations** – reviewing compliance with laws, regulations and other external requirements, and with management policies and directives and other internal requirements.
3. **Risk management** – identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control systems.
4. **Governance** – assessing the effectiveness of the governance process.

Appointment of the External Auditor and Management of the External Audit Process

The Committee will manage the relationship between the Company and the external auditor, ensuring the external auditor has the requisite expertise and experience. The Committee will adopt an objective process to recommend to the Board appointment, performance management and, as required, replacement of the external auditor.

Each year, the Committee will recommend to the Board an external audit program which complies with good accounting practice and the Company's statutory and regulatory obligations. The Committee will discuss any problems, disagreements, and reservations arising from the external audit with executive management and provide the forum for these issues to be considered and for recommendations to be made to the Board.

The Committee will require from the external auditors a formal, written statement describing the audit process, quality control procedures, and any material issues for consideration by the Board as well as a program to ensure rotation of personnel to ensure objectivity.

Integrity of Financial Statements

The Committee will assess the appropriateness of accounting policies and practices on an annual basis, ensuring that judgements made by the Chief Executive Officer and Chief Financial Officer are reasonable and recorded. This assessment should include:

- consideration of material transactions and the potential impact of issues relating to occupational health, safety, environment, and legal matters; and
- interpretation of accounting standards.

Release of Financial Information

The Committee will consider and recommend to the Board (after discussion with the external auditors) draft financial statements which are to be released to the Australian Securities Exchange or any other statutory or regulatory authority.

The Committee will review and recommend to the Board any statements regarding financial information to be released to the Australian Securities Exchange or the media to ensure that continuous disclosure obligations are satisfied.

Remuneration of the External Auditor

The Committee will recommend to the Board fees to be paid to the external auditor.

Meetings

The Committee will meet as often as necessary to effectively discharge its responsibilities but not less than four times per year and any Committee member may call a meeting of the Committee. A quorum will comprise the Chairman and at least one other Committee member and will use the same meeting protocols as the full Board.

Each director will be copied with the notice of meeting and agenda and will have the opportunity to suggest agenda items.

The Committee will report to the full Board at the Board meeting immediately after the Committee meeting, with Committee minutes and any other papers being distributed as part of the Board papers.

Annual Review of Performance

To determine whether it is functioning effectively, once each year the Committee shall:

1. review this Charter; and
2. undertake an evaluation of its performance.