



Audit Committee Charter

General Role and Responsibilities

The Audit Committee ("Committee") is not a policy-making body but assists the Board by implementing Board policy.

The role of the Committee includes assisting the Board in the company's governance generally and in meeting its obligations to exercise due care, diligence and skill in relation to:

- Reporting financial information to users of financial reports.
- Application of accounting policies.
- Financial management.
- Business policies and financial practices.
- Protection of the company's assets.
- Compliance with applicable laws, regulations, standards and best practice guidelines.

Other Audit Committee Objectives

Other objectives of the Committee include, but are not limited to:

- Improving the credibility and objectivity of the accountability process, including financial reporting.
- Overseeing the effectiveness of the external audit function and providing a forum for communication between the Board and external auditors.
- Ensuring the independence of the external auditor.
- Assuring the quality of internal and external reporting of financial and non-financial information.

Authority

- The Committee reports to the Board.
- The external auditor reports to the Committee and the Board.

Without limiting in any way the rights of each individual Director, the Board authorizes the Committee to:

- Appoint, compensate and oversee the work of any external auditor employed by the company.
- Resolve any disagreements between management and the external auditor on financial reporting.
- Pre-approve all auditing and non-audit services to be provided by the external auditor.
- Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from employees, who are directed to co-operate with the Committee's requests, or from external parties.
- Delegate authority to subcommittees of the Committee.



Membership

- Members of the Committee (including the Audit Committee Chair) are appointed by the Board after due consideration of the composition and skill requirements for the Committee.
- The Committee will consist of at least three members each of whom shall be non-executive directors. The majority of members (including the Audit Committee Chair) must be independent directors of the Board.
- Neither the Chair nor executive directors of the company are eligible to be members of the Committee, however all directors of the Board are encouraged to attend meetings in a non-voting capacity.
- Directors who are not members of the Committee are allowed full access to all Committee papers, minutes and reports at all times upon request.
- A director's membership of the Committee shall cease automatically where such director ceases to be a director of the company.
- Each Committee member must have a working familiarity with general finance and accounting practices. At least one member of the Committee must have accounting or related financial management expertise.
- The performance of the Committee will be evaluated at least annually.

Meetings

- The Committee shall hold at least three meetings annually and otherwise such additional meetings as the Audit Committee Chair shall decide in order to fulfil its duties.
- The Audit Committee Chair will call a meeting of the Committee if so requested by any member of the Committee, the external auditor, the Chief Financial Officer or by the Board Chair.
- A quorum will be two members. In the Chair's absence from a meeting, the members present will select a chair for that particular meeting.
- The Committee may invite other people to attend as it sees fit and consult with other people or seek any information it considers necessary to fulfil its responsibilities.
- The Committee members may meet separately with auditors in the absence of management.
- The secretary of the Committee will be the Company Secretary or in the absence of the Company Secretary a suitable alternative approved by the Audit Committee Chair.
- The agenda and supporting papers will be delivered to Committee members in advance of the meeting. At the discretion of the Chair of the Committee meeting, additional papers may be tabled for discussion at the meeting.
- Proceedings of all meetings are to be minuted by the secretary to the Committee meeting and:
 - circulated to members within two weeks of a meeting;
 - be approved by the Committee and signed by the Audit Committee Chair at the next meeting;
 - tabled at the first Board meeting after the Committee meeting either in draft form or signed if there has been an intervening meeting of the Audit Committee.

Invitees

Persons who may usually be invited to meetings of the Committee are:

- The Managing Director.
- The Chief Financial Officer.
- The external auditor.

Voting

Any matters requiring decision will be decided by a majority of votes of members present in person or by phone.

Review of Charter

- The Committee's Charter shall be reviewed annually by the Board on advice from the Committee to keep it up to date and consistent with the Committee's authority, objectives and responsibilities.
- All amendments to the Committee's Charter are to be approved by the Board.

Specific Responsibilities

The Committee's responsibilities include the following matters:

Financial Reporting

- Review half-year and full-year financial reports and statements with management and the external auditor.
- Review and make recommendations to the Board regarding significant financial, accounting and reporting issues.
- Review representation letters from the Managing Director and Chief Financial Officer to the external auditors.
- Review financial reporting and disclosure processes and the outputs of those processes.
- Review the appropriateness of the accounting policies adopted by management in relation to the financial reports and make recommendations to the Board as to any changes or amendments.
- Review details behind any related party transactions existing at a consolidated group level.
- Review financial statements for compliance with accounting standards and policies and other requirements relating to the preparation of financial reports.
- Assess whether the half-year and full-year financial reports are consistent with the Committee members' information and knowledge.

External Auditor

- Annually consider the appointment of the external auditor and, as required, consider the procedures for the selection and appointment of the external auditor and whether an audit tender process is required. Any subsequent recommendation on the appointment of the external auditor is put to the Board.
- Review and approve the terms of engagement and fees of the external auditor at the start of each audit.
- Consider and review the scope of work, reports and activities of the external auditor.
- Review the findings of the audit with the external auditor.
- Assess the independence of the external auditor based on the information received from the external auditor and management. In assessing independence of the external Auditor, the Committee will consider amongst other things:
 - the employment of former employees of the external auditor;
 - policies on the supply of non-audit services by the external auditor;
 - the fees for audit and non-audit services provided by the external auditor on a regular basis;
 - the rotation of audit partners;
 - the external auditor's own statement on independence; and
 - any other information from the external auditor setting out all its relationships that may affect its independence.
- Review the effectiveness of the annual audit and the performance of the external auditors taking into account the opinions of management.