

AUDIT COMMITTEE CHARTER

Membership

All non-executive members of the Board of Directors will form the Audit Committee.

The Chairman of the Committee shall be a non-executive Director and shall not be the Chairman of the Board of Directors.

Responsibilities

The Committee shall consider any matters relating to the financial affairs of the company and its controlled entities.

The duties of the Committee include:

- Reviewing financial statements and other financial information distributed externally;
- Monitoring corporate risk assessment and the internal controls instituted;
- Monitoring the establishment of an appropriate internal control framework, including information systems and considering enhancements;
- Reviewing external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- Reviewing the nomination and performance of external auditors;
- Liaising with external auditors and ensuring that the annual and half-year statutory audits are conducted in an effective manner;
- Monitoring the procedures in place to ensure the entity is in compliance with the Corporations Law, ASX Listing Rules, tax laws, and other legislative and reporting requirements;
- Reviewing reports on any major defalcations, frauds and thefts from the entity;
- Ensuring a corporate Code of Ethics is established and periodically reviewed;
- Initiating and supervising special investigations;

- Reviewing risk management practices, including the entity's use of derivatives;
- Reviewing policies on sensitive issues or practices such as environmental issues;
- Reviewing policies to avoid conflicts of interest and reviewing past or proposed transactions between the corporation and members of management;
- Reviewing related party transactions and considering the adequacy of disclosure of those transactions in the financial statements;
- Reviewing significant transactions which are not a normal part of the entity's business; and
- Reviewing reports on the adequacy of insurance coverage.

Access

The Committee shall have the authority to seek any information it requires from any office or employee of the company or its controlled entities and such officers or employees shall be instructed by the Board to respond to such enquiries.

The Committee is authorised to seek such independent professional advice as it considers necessary.

Meetings

An agenda shall be circulated at least one week prior to each meeting to the members of the Committee.

The Chairman will call a meeting of the Committee if so requested by any Committee member, or the external auditors.

Meetings shall be held at least four times a year.

Minutes of all Committee meetings shall be maintained.