

Audit & Risk Committee Charter

1. Organisation

- 1.1 The Audit & Risk Committee is a sub-committee of the Board.
- 1.2 The Audit & Risk Committee of the Board of Directors shall be comprised of at least three Directors.
- 1.3 The Chairperson of the Committee, appointed by the Board, shall be an Independent Director and not the Chairperson of the Board. The Chairperson of the Committee shall not have any long-standing association with the Company's external audit firm as a current or retired audit partner or senior manager at the firm. In the case of retirees, the member will not be considered independent if there has not been at least 3 years since he or she was previously employed by the external audit firm.
- 1.4 The majority of Directors on the Committee shall be Independent Directors. All members of the Committee must be Non-Executive Directors.
- 1.5 All Audit & Risk Committee members will be financially literate, and at least one member will have accounting or related financial management expertise.
- 1.6 The CEO and Chief Financial Officer may attend by invitation. Employees may only attend Committee meetings at the invitation of the Committee.
- 1.7 The members of the Committee will be selected at the Board meeting immediately following the Annual Meeting of shareholders and will hold office for the ensuing year. If no selection occurs it shall be the same members as the previous year.

2. Meetings

- 2.1 Meetings of the Audit & Risk Committee shall be held at least twice a year having regard to the Company's reporting and audit cycle, or at the discretion of the Chairperson or if requested by any Committee member, the CEO, external or internal audit. The Committee will consider whether to meet with the external auditors without employees present, on an annual basis.
- 2.2 A quorum shall be three members.
- 2.3 The secretary to the Board (if any) will also act as secretary to the Audit & Risk Committee.

- 2.4 The Audit & Risk Committee shall have in attendance, such representatives from management, internal and external audit, insurance brokers and other advisors, as it may deem necessary to provide appropriate information or explanation.
- 2.5 Any Non-Executive Director who is not a member of the Audit & Risk Committee shall also be able to attend meetings of the Audit & Risk Committee.
- 2.6 Minutes of all meetings shall be kept.

3. Statement of Policy

- 3.1 The Audit & Risk Committee shall provide assistance to the Directors in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the Company, and the quality and integrity of financial reports of the Company. In so doing, it is the responsibility of the Audit & Risk Committee to:
 - a. maintain free and open communication between the Directors, the external auditors, the internal auditors, and the financial management of the Company.
 - b. ensure that the ability of the external auditors to carry out their statutory audit role is not impaired or could reasonably be perceived to be impaired.
- 3.2 The Audit & Risk Committee is not responsible in any way for the implementation and operation of risk management including internal control and audit systems. This is the responsibility of management. The role of the Audit & Risk Committee is to ensure that appropriate systems and processes are in place to ensure that the Board is properly and regularly informed and updated on corporate financial matters, and to ensure such processes are operating effectively. The Committee will regularly monitor and review the independent and internal auditing practices.

4. Responsibilities

- 4.1 In carrying out its responsibilities, the Audit & Risk Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the Directors and shareholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

Access and Authority

- 4.2 The Audit & Risk Committee shall have all necessary access to, and the authority of the Board to seek any information it requires from any employees to fulfil its function, duties and responsibilities. All employees will be directed to co-operate with any request made by the Audit & Risk Committee.
- 4.3 The Audit & Risk Committee will have direct and unrestricted access to the external auditors and any internal auditors or accountants.
- 4.4 The Audit & Risk Committee shall have the authority of the board to obtain independent professional advice and expertise if it considers this necessary.
- 4.5 The Audit & Risk Committee provides oversight in four distinct areas:
- a. Governance;
 - b. Financial Reporting;
 - c. Audit Functions; and
 - d. Risk Management Functions

Disclosure

- 4.6 Audit & Risk Committee agenda and minutes will be distributed to all Board members regardless of whether they are members of the Audit & Risk Committee.

5. Governance

- 5.1 In carrying out its responsibilities, the Audit & Risk Committee will:
- a. Obtain the full Board's approval of this Charter and review and reassess this Charter as conditions dictate.
 - b. Annually undertake a self-review of objectives and duties including input from appropriate management and internal and external auditors and report on the effectiveness of the Audit & Risk Committee to the full Board.
 - c. Review and recommend to the Directors the external auditors to be selected to audit the Company and its subsidiaries.
 - d. Have a clear understanding with the external auditors that they are ultimately accountable to the Board and the Audit & Risk Committee, as the shareholders' representatives, who have the ultimate authority in deciding to engage, evaluate, and if appropriate, terminate their services.
 - e. Provide sufficient opportunity for the external auditors to meet with the members of the Audit & Risk Committee without members of management present. Among the

items to be discussed in these meetings are the external auditors' evaluation of the Company's financial, accounting, and auditing personnel, and the co-operation that the external auditors received during the course of audit.

- f. Submit the minutes of all meetings of the Audit & Risk Committee to, or discuss the matters discussed at each Committee meeting with, the Board.
- g. Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate.

6. Financial Reporting

6.1 In carrying out these responsibilities, the Audit & Risk Committee will:

- a. Review the financial statements contained in the annual report with management and the external auditors to determine that the external auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders and that they comply with appropriate laws and regulations.
- b. Review with financial management and the external auditors the results of their timely analysis of significant financial reporting issues and practices, including changes in, or adoptions of, accounting principles and disclosure practices, and discuss any other matters required to be communicated to the Audit & Risk Committee by the auditors.
- c. Also review with financial management and the external auditors their judgments about the quality, not just acceptability, of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly, the degree of aggressiveness or conservatism of the organisation's accounting principles and underlying estimates, and other significant decisions made in preparing the financial statements.
- d. Review the Company's tax position, compliance and any exposures.
- e. Review financial reports required under Listing Rules before they are issued to the market and advising the board whether they comply with applicable laws and regulations.
- f. Recommend to the Board for adoption significant changes in accounting policies and annual and six-monthly financial statements.

7. Audit Functions

7.1 In carrying out these responsibilities, the Audit & Risk Committee will:

- a. Meet with the external auditors and financial management of the Company to review the scope of the proposed audit and half year review for the current year and the procedures to be utilised, the adequacy of the external auditor's compensation and at the conclusion review such audit or review, including any comments or recommendations of the external auditors.
- b. Review reports received from regulators and other legal and regulatory bodies, matters that may have a material effect on the financial statements or related Company compliance policies.
- c. Report the results of the annual audit to the Board. If requested by the Board, invite the external auditors to attend the full Board of Directors meeting to assist in reporting the results of the annual audit or to answer other Directors' questions (alternatively, the other Directors, particularly the other Independent Directors, may be invited to attend the Audit & Risk Committee meeting during which the results of the annual audit are reviewed).
- d. Review and approve the nature and scope of other professional services provided by the Company by the external auditors and consider the relationship to the auditors' independence. In connection with this, the Committee will monitor any services provided by the external auditors other than statutory audit services.
- e. On an annual basis assess and confirm to the Board the independence of the external auditor.
- f. Make recommendations to the Board as to the appointment or discharge of external auditors and the rotation of the key audit partner every five years in accordance with Listing Rule 2.13.3(f).
- g. Establishing the external auditor's fees, assuming that shareholders have approved the Board to do so.
- h. On an annual basis, review and monitor the ratio of non-audit to audit fees.
- i. Approve in advance the hiring of an existing/former audit manager/partner having regard to independent considerations.

8. Risk Management Functions

- 8.1 The Board is responsible for risk management generally and delegates this responsibility to the CEO who may further delegate such responsibilities to the CFO and other officers as determined by the CEO.
- 8.2 The Audit & Risk Committees risk management responsibilities will be to:

- a. Ensure that management has established a risk management framework which includes policies and procedures to effectively identify, treat, monitor and report key business risks.
- b. Review the procedures of identifying business risks and controlling their financial impact on the Company and its subsidiaries.
- c. Review management’s and the external auditor’s reports on the effectiveness of systems for internal control, financial reporting and risk management.
- d. Ensure that the Board reviews reports on the principal business risks at least annually.
- e. Review key insurance policy terms and cover adequacy and make recommendations to the Board for adoption of the insurance cover.

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