

AUDIT COMMITTEE CHARTER



The Board has resolved that a Committee of the Board known as the Audit Committee be established from members of the Board.

The Audit Committee established under this Charter will consider any matter relating to the financial affairs of the Company.

1. Objectives of the Audit Committee

- 1.1 Assisting the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to:
 - Application of accounting policies;
 - Financial management;
 - Internal control systems;
 - Business policies and practices;
 - Compliance with applicable laws and regulations; and
 - Monitoring and controlling of business risk.
- 1.2 Improving the efficiency of the Board by delegating tasks to the Committee.
- 1.3 Improving the effectiveness of the external audit function and the communication between the Board and the external auditor.

2. Terms of Reference

The Audit Committee will consider any matters relating to the financial affairs of the Company. In addition, the Audit Committee will examine other matters referred by the Board.

- 2.1 The Committee's duties and responsibilities and the scope of its activities include the following:
 - Financial reporting to the Board, including accounting policies;
 - Internal control and risk management;
 - The establishment and continuous monitoring of a framework and processes for compliance with laws and regulations;
 - Reviewing reports to regulators requiring Board approval;
 - Reviewing related party transactions;
 - Management information systems.

3. Authority

- 3.1 The Board authorises the Audit Committee within the scope of its responsibilities to:
 - a) Review external audit reports and ensure remedial action is taken by management for any major deficiencies or breakdowns in controls or procedures, defalcations, fraud and theft noted therein.
 - b) Review the nomination and performance of external auditors, and review the external audit fees so as to make an appropriate recommendation to the Board.
 - c) Liaise with external auditors and ensure that the annual audit is conducted in an effective manner.
 - d) Monitor the procedures in place to ensure compliance with Corporations Law and other legislative requirements.
 - e) Supervise special investigations requested by the Board.

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- 3.2 The Audit Committee will, in order that it may carry out its responsibilities, have the authority to seek any information it requires from any officer or employee of the Company in relation to the objectives of the Committee or as requested by the Board.

4. Administration

Membership and Attendance at Meetings

- 4.1 The Audit Committee will comprise two (2) members of which one shall be a Non Executive Director but will not include the Chief Financial Officer. A quorum shall be two.
- 4.2 The Board will determine the chairperson of the Audit Committee.
- 4.3 The Secretary of the Audit Committee will be the Secretary of the Board or such other person as nominated by the Board and be responsible for the recording and distribution of minutes of Committee meetings.
- 4.4 The Audit Committee may invite such other persons to attend its meetings as it deems necessary.
- 4.5 The Committee has the right of access to the external auditor.

Meetings

- 4.6 Meetings will be held not less than twice per year. Special meetings of the Audit Committee may be convened as required. The external auditor may request a meeting.
- 4.7 The procedures of all meetings will be minuted.

5. Board Reporting

- 5.1 The Audit Committee will report findings and recommendations of the Committee to the Board as necessary and report annually to the Board.