

AUDIT & RISK COMMITTEE CHARTER

1 Role

The purpose of the Audit & Risk Committee (**Committee**) is to assist the Board in the effective discharge of its responsibilities as they relate to audit and risk. Specifically, these include but are not limited to oversight of the Company's:

- (a) financial and corporate reporting and internal control structure;
- (b) internal and external audit functions; and
- (c) risk management and compliance framework.

In doing so, the Committee has the responsibility to maintain free and open communication with the external auditor and the Company's management.

2 Committee Structure

- (a) The Committee will comprise at least three members, a majority of whom are independent non-executive directors.
- (b) Membership of the Committee is as approved by the Board and the appointment and removal of Committee members is the responsibility of the Board. If a Committee member ceases to be a director of the Board their appointment as a member of the Committee is automatically terminated with immediate effect.
- (c) All Committee members should be financially literate (that is, able to read and understand financial statements).
- (d) The Board will appoint the chair of the Committee (**Committee Chair**). The Committee Chair will be an appropriately qualified independent non-executive director who does not chair the Board.
- (e) The Company Secretary of the Company will be secretary to the Committee.

3 Meetings

- (a) The Committee will meet at least three times annually or as frequently as is required to undertake its role effectively. A quorum for any meeting will be at least two Committee members.
- (b) Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

- (c) The Committee may meet in private with the Chief Financial Officer (or senior member of management who is carrying out the Chief Financial Officer function), any other member of staff, or consultants or advisers who are involved in the preparation of accounts and with the external auditor.
 - (d) The Committee may invite any staff member or external auditor, consultant or adviser to attend all or part of a meeting of the Committee.
 - (e) The proceedings of all meetings will be minuted by the Company Secretary.
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4 Duties and Responsibilities

The Committee's key responsibilities and functions are to discharge its responsibilities as they relate to audit, risk and compliance including to:

- (a) External Reporting
 - (i) Oversee the external reporting process.
 - (ii) Review the adequacy of the Company's corporate reporting processes and internal control framework.
 - (iii) Review the adequacy of the Company's accounting policies and principles and any significant estimates and judgements adopted by management in the preparation of external reports.
 - (iv) Review whether the Company's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company.
 - (v) Review the declarations from the Managing Director and Chief Financial Officer (or senior member of management who is carrying out the Chief Financial Officer function).
- (b) External Audit
 - (i) Review the adequacy, expertise and independence of the external auditor.
 - (ii) Recommend to the Board the appointment, reappointment, rotation and removal of the external auditors. The Committee will also review any proposal for the external auditor to provide non audit services and whether it might compromise the independence of the external auditor.
 - (iii) Review the external auditor's engagement and performance annually, having regard to relevant legislative and regulatory requirements.
 - (iv) Approve the external audit plan and agree the terms of engagement including fees.
 - (v) Review progress of the audit against the audit plan and review the results of the audit and the close out report.
 - (vi) Meet separately with the external auditor as often as considered necessary.

- (vii) Monitor management's responses to, and implementation of, recommendations from the external auditor that are adopted by the Company.
 - (viii) Ensure that the external auditor attends the Company's annual general meetings and is available to answer questions from shareholders relevant to the audit.
- (c) Internal Audit
 - (i) Oversee any internal audit function implemented by the Company from time to time.
 - (ii) Review and report on the performance and independence of internal auditors.
- (d) Tax Affairs
 - (i) Oversee the Company's tax compliance and tax risk management.
 - (ii) Consider the appropriateness of material tax judgements applied in the preparation of financial reports of the Company.
 - (iii) Consider the implications of expected changes in prevailing tax laws to the Company's operating business and structure.
 - (iv) Review the findings of any examination by regulatory agencies of the Company's tax governance and practices.
- (e) Capital Management
 - (i) Review any capital allocation prior to recommending to the Board for approval.
 - (ii) Review and recommend to the Board for approval payment of dividends and other capital returns.
- (f) Risk & Compliance
 - (i) Review, at least annually, the Company's risk management framework to ensure that it supports the Company's effective identification and assessment of current, new and emerging material risks and monitoring and managing identified material and strategic risks, and their controls and treatment actions with due regard to the risk appetite set by the Board.
 - (ii) Monitor material changes to the Company's risk profile and provide recommendations to the Board regarding the required changes to the Company's risk appetite and risk tolerance.
 - (iii) Review the outcomes of investigations into material breaches and break downs of internal controls to confirm that the outcomes satisfactorily address the control deficiencies.
 - (iv) Review any material incident involving fraud or a break-down of the Company's risk controls and the "lessons learned".

- (v) Oversee the Company's insurance program having regard to the Company's business and the insurable risks associated with the business.
 - (g) Corporate Governance and Business Integrity
 - (i) Monitor compliance against the ASX Corporate Governance Principles and Recommendations.
 - (ii) Consider relevant regulations and best practice developments in corporate governance and business integrity and make recommendations to the Board.
 - (iii) Oversee the whistleblower compliance framework including the Whistleblower Policy.
 - (iv) Consider and recommend to the Board changes to, and monitor compliance with, key governance policies and standards, including but not limited to the delegation of authority, risk management framework and policy, crisis management and business continuity planning standard, continuous disclosure policy, securities trading policy, tax policy, whistleblower policy, anti-bribery and corruption policy and environmental and cultural heritage policy.
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5 Authority

The Committee may investigate any matter within the scope of this Charter and make recommendations to the Board in relation to the outcomes. The Committee will have full access to all books, records, operations, and people of the Company and have the authority to engage external consultants or other professional advisers as it determines necessary to carry out its duties. The Committee has no delegated authority from the Board to determine the outcomes of reviews and investigations and the Board retains its authority over such matters.

6 Administrative Matters

The Company will disclose this Charter on its website and will disclose the following in its Corporate Governance Statement:

- (a) the Committee's membership;
- (b) the relevant experience and qualifications of each Committee member;
- (c) the number of times the Committee met during the financial year;
- (d) the individual attendances of members at Committee meetings;
- (e) whether the Company's risk management framework has been reviewed during the reporting period; and
- (f) whether it has any material exposure to environmental and social risks, and, if it does, how the Company manages or intends to manage these risks.

7 Reporting

The Committee Chair, or nominee, will report the findings of the Committee to the next Board meeting after each Committee meeting.

The minutes of all Committee meetings will be circulated to all directors by the Company Secretary.

8 Committee Performance

The Board will, at least once in each year, review the membership of the Committee to determine its adequacy for current circumstances. The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

9 Review

The Committee will review this Charter annually or as often as it considers necessary. The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.