

Please note that the Audit Committee is now part of the Audit, Risk and Compliance Committee. A charter for the new committee is being finalised and will be available on this site shortly.

Audit Committee Charter

<p>Overall purpose/ objectives</p>	<p>The audit committee is appointed by the board of directors to assist the board in discharging oversight responsibilities. The audit committee will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. The audit committee is structured to independently verify and safeguard the group's financial reporting and oversee the independence of external auditors.</p> <p>The audit committee will also review:</p> <ul style="list-style-type: none"> • the effectiveness of the group's internal financial control and risk management system; • the independent audit process including recommending the appointment and assessing the performance of the external auditor; and • the group's process for monitoring compliance with laws and regulations affecting financial reporting. <p>In performing its duties, the committee will maintain effective working relationships with the board of directors, management, and the external auditors. To perform his or her role effectively, each committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the committee's responsibilities and of the group's business, operations and risks.</p> <p>The group is committed to the principles of good corporate governance and the implementation of the Good Corporate Governance and Best Practice Recommendations.</p>
<p>Authority</p>	<p>The board authorises the audit committee, within the scope of its responsibilities, to:</p> <ul style="list-style-type: none"> • Perform activities within the scope of its charter. • Engage independent counsel and other advisers as it deems necessary to carry out its duties to a maximum of \$20,000 p.a. • Ensure the attendance of group officers at meetings as appropriate. • Have unrestricted access to members of management, employees and relevant information. • Establish procedures for dealing with concerns of employees regarding accounting, internal control or auditing matters. • Establish procedures for the receipt, retention and treatment of complaints received by the group

	<p>regarding accounting, internal accounting controls or auditing matters.</p> <ul style="list-style-type: none"> • Make recommendation to the Board for the appointment, compensation and retention of the external auditor. • Be directly responsible for the oversight of the work of the external auditor. • Approve all audit engagement fees and terms as well as reviewing policies for the provision of non-audit services by the external auditors.
<p>Organisation</p>	<p>Membership</p> <ul style="list-style-type: none"> • The board of directors will nominate the audit committee members who will all be non-executive directors and the chairman of the audit committee who is an independent director and not a chairman of the group's board • The audit committee will comprise at least 3 members and the majority of members shall be independent non-executive directors of the group. • A quorum of any meeting will be 2 members. • Each member should have skills and experience appropriate to the group's business. • Each member shall be financially literate (i.e., be able to read and understand financial statements); at least one member must have financial expertise (i.e., is a qualified accountant or other financial professional with experience of financial and accounting matters). • Each member will be appointed for a 2 year term of office and may serve longer. • The secretary of the audit committee will be the company secretary, or such other person as nominated by the board. <p>Meetings</p> <ul style="list-style-type: none"> • Only committee members are entitled to attend meetings. The audit committee may invite such other persons (eg the Joint Managing Directors, CFO and external audit engagement partner) to its meetings, as it deems necessary. • The external auditors should be invited to make presentations to the audit committee as appropriate. • Meetings shall be held not less than twice a year and should correspond with the group's financial reporting cycle and the committee will meet often enough to make its role effective. • Special meetings may be convened as required. The secretary will convene a meeting on receipt of

	<p>a request by any member, the external or internal auditors.</p> <ul style="list-style-type: none"> • The secretary shall circulate the agenda and supporting documentation to the audit committee members a reasonable period in advance of each meeting. • The secretary of the committee shall circulate the minutes of meetings to members of the board, members of the committee, and, where appropriate, the external auditor within a reasonable period after the meeting. Ordinarily committee minutes will be included in the papers in the next full board meeting after the committee. • As a minimum, the chairman of the committee shall attend the board meeting at which the financial statements are approved. • Members of the audit committee should attend every meeting of the committee. • The committee should meet with outside legal counsel if it is deemed necessary. • The audit committee will meet with the external auditors at least once a year without management present.
<p>Roles and responsibilities</p>	<p>The audit committee will:</p> <p>Internal control</p> <ul style="list-style-type: none"> • Evaluate whether management is setting the appropriate 'control culture' by communicating the importance of internal control and management of risk. • Understand the internal controls systems implemented by management for the approval of transactions and recording and processing of financial data. • Understand the controls and process implemented by management to ensure that the financial statements derive from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate management review. • Evaluate the overall effectiveness of the internal control and risk management frameworks and consider whether recommendations made by the external auditors have been implemented by management. • Consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown or to protect against computer fraud or misuse.

Financial reporting

- Gain an understanding of the current areas of greatest financial risk and how these are being managed.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports.
- Oversee the periodic financial reporting process implemented by management and review the interim financial statements, annual financial statements and preliminary announcements prior to their release.
- Review management's process for ensuring that information contained in analyst and investor briefings, ASX and press announcements is consistent with published financial information, balanced and transparent.
- Meet with management and the external auditors to review the financial statements, the key accounting policies and judgements, and the results of the audit.
- Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the external auditor.
- Review the other section of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about the group and its operations and lacks bias.

Compliance with laws and regulations

- Review the effectiveness of the system for monitoring compliance with laws and regulations in relation to financial reporting and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- Obtain regular updates from management and group's legal counsel regarding compliance matters that may have a material impact on the group's financial statements or compliance policies.
- Be satisfied that all regulatory compliance matters, related to the financial reporting of the group, have been considered in the preparation of the financial statements.
- Review the findings of any examinations by regulatory agencies related to financial reporting.

Working with auditors

External audit

- Review the professional qualification of the auditors (including background and experience of partner and auditing personnel).
- Consider the independence of the external auditor and any potential conflicts of interest.
- Review on an annual basis the performance of the external auditors and make recommendations to the board for the appointment, reappointment or termination of the external auditors.
- Review the external auditors' proposed audit scope and approach for the current year in the light of the group's present circumstances and changes in regulatory and other requirements.
- Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
- Ensure that significant findings and recommendations made by the external auditors and management's proposed response are received, discussed and appropriately acted on.
- Discuss with the external auditor the appropriateness of the accounting policies applied in the group's financial reports and whether they are considered aggressive, balanced or conservative.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately without management being present. Ensure the auditors have access to the chairman of the audit committee when required.
- Review policies for the provision of non-audit services by the external auditor and where applicable the framework for pre-approval of audit and non-audit services.
- Ensure the group has appropriate policies regarding the hiring of audit firm personnel for senior positions after they have left the audit firm.

Internal audit

- Consider the need for an internal audit function in the group.

	<p>Reporting responsibilities</p> <ul style="list-style-type: none">• Regularly update the board about committee activities and make appropriate recommendations. The report should contain all matters relevant to the committee's role and responsibilities, including:<ol style="list-style-type: none">1. assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;2. assessment of the management processes supporting external reporting;3. procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;4. recommendations for the appointment or removal of an auditor;5. assessment of the performance and independence of the external auditors and whether the committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;6. assessment of the performance and objectivity of the internal audit function; and7. the results of its review of risk management and internal compliance and control systems.• Ensure the board is aware of matters that may significantly impact on the financial condition or affairs of the business.• Prepare any reports required by law or listing rules or requested by the board, for example a report on the audit committee's activities and duties to be included in the section on corporate governance in the annual report. <p>Evaluate performance</p> <ul style="list-style-type: none">• Evaluate the committee's own performance, both of individual members and collectively, on a regular basis.• Assess the achievement of the duties specified in the charter and report the findings to the board. <p>Review of the committee</p> <ul style="list-style-type: none">• Review the audit committee charter annually and discuss any required changes with the board.• Ensure that the charter is approved by the board.
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