



Audit, Risk and Compliance Committee Charter

1. Introduction

The Audit, Risk and Compliance Committee (**Committee**) is established in accordance with Article 57(a) of the Company's Constitution, which enables the Board to delegate its powers to committees.

The charter provides a summary of the role of the Committee in the business structure and operations of the Company.

2. Purpose

The purpose of the Committee is to review and monitor the effectiveness of the Group's controls in the areas of operational and balance sheet risk, legal and regulatory compliance and financial reporting.

2.1. Authority and powers:

- To obtain information from, and access to, management.
- To consult directly with internal and external auditors. (Internal audit function not currently in place)
- To meet independently of management, with internal or external auditors if required.
- To obtain independent advice as appropriate.

2.2. Limitations:

Decision making powers are retained by the Board.

2.3. Reporting mechanism to Board:

The Committee shall regularly report to the Board on all matters relevant to the Committee's role and responsibilities.

The Committee Chairman will report and as appropriate make recommendations to the Board after each meeting of the Committee on matters dealt with by the Committee.

As and when appropriate, the Committee will seek direction and guidance from the Board on audit, risk management and compliance matters.

The Committee shall ensure that the Board is made aware of audit, corporate reporting, internal control, risk management and compliance matters which may significantly impact upon the Company in a timely manner. The Committee must approve the details to be published in the Company's Annual Report or any other statutory report or document with respect to the activities and responsibilities of the Committee.

3. Role of the Committee

The role of the Committee is to:

- Oversee the adequacy of the controls established by senior management to identify and manage areas of potential risk and to safeguard the assets of the Company;
- Review the integrity of the Company's corporate reporting;
- Oversee the Company's relationship with its external auditor and the external audit function generally, including the independence of the external auditor; and
- Evaluate the process in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to investors and the Board is accurate and reliable.

4. Responsibilities:

4.1. Auditor appointments and effectiveness:

- Make recommendations to the Board regarding the appointment, reappointment or replacement, remuneration, effectiveness and independence of the external and internal auditors;
- Make recommendations to the Board regarding the resolution of disagreements between management and the external auditor regarding financial reporting;
- Review and make recommendations to the Board regarding the pre-approval of all audit and non-audit services provided by the external auditor, having regard to the requirement that under no circumstances will the external auditors be engaged to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company;
- Review and make recommendation to the Board regarding the external auditor's arrangements for the rotation and succession of audit and review partners including their approach to managing the transition;
- Review and make recommendation to the Board regarding the ongoing management of an effective internal audit function with appropriate resources;
- Review the independence, performance and effectiveness of the internal and external audit functions on an annual basis; and
- Provide to the Board a direct line of communication from both the internal and external auditors.

4.2. Accounting and reporting:

Assist the Board in fulfilling its fiduciary responsibilities relating to accounting and reporting practices by:

- reviewing significant accounting policies adopted within the Group to ensure compliance with Accounting Standards and generally accepted accounting principles;
- monitoring the adequacy and effectiveness of the Group's accounting and internal control systems and reporting;
- reviewing and discussing the scope and results of the work of the external auditor;
- considering financial matters relevant to financial reporting in a timely manner;
- reviewing the Company's interim financial statements, annual financial statements and preliminary announcements prior to their release to ensure that they are complete, reflect appropriate accounting principles, contain appropriate disclosures and are consistent with the information known to Committee members, and making any necessary recommendations to the Board;
- ensuring that there are no unresolved issues between management and the external auditors; and
- reviewing other financial information distributed externally as required.

4.3. Internal audit (Business Risk Assurance):

- Review and approve the annual internal audit plan;
- Review progress made against the internal audit plan; and
- Review significant internal audit findings and action taken by management to address these.

4.4. Ethics:

- Review the Company's controls to ensure they support ethical operations including the Company's code of Conduct and fraud control planning and management;
- Review any reported instances of non compliance with the Company's Code of Conduct; and
- Review all whistleblower investigation reports in accordance with the Company's Whistleblower Policy.

4.5. Risk management:

- Review the adequacy and effectiveness of the Company's risk management framework (as identified in the Company's Risk Management Policy), including to assess whether:
 - it has any material exposure to economic, environmental and social sustainability risks and if it does how it manages or intends to manage those risks;
 - the assessments of the likelihood and consequences of each identified risk are current and realistic; and
 - plans for managing each identified risk, including decisions to bear any risks unmitigated, are appropriate and effectively implemented; and
 - Review the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

4.6. Compliance:

- Gain an understanding of the current areas of greatest compliance risk (financial and non-financial) and review these areas on a regular basis.
- Obtain regular updates from management, the Company's legal counsel, auditors and any external parties as it thinks fit regarding audit, risk management and compliance matters. It shall regularly review existing compliance systems and consider any deficiencies in compliance risk measures.
- Review any legal matters which could significantly impact the Company's compliance and risk management systems, and any significant compliance and reporting issues, including any internal regulatory compliance reviews and reports.
- Review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with laws and regulations and the results of management's investigations and follow-ups (including disciplinary action) of any fraudulent acts or non-compliance.
- Be satisfied that all regulatory compliance matters have been considered in the preparation of the Company's official documents.
- Review the findings of any examinations by regulatory agencies and any material correspondence with such agencies.
- ensure that there is a process in place for the Chairman of the Board and the Committee Chairman to be immediately informed of any material non-compliance matter or material litigation.
- Review processes in place to ensure compliance with laws, rules, regulations and internal codes of conduct including:
 - Corporations Act;
 - ASX Listing Rules;
 - trade practices;

- equal opportunity;
- occupational health and safety;
- applicable foreign laws; and
- other requirements.

5. Composition

5.1. Membership:

Not less than 3 non-executive Directors as appointed by the Board.

A member may resign upon notice in writing to the Chairman of the Committee. A member may from time to time be immediately removed by notice in writing under the hand of the Chairman of the Committee. The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Committee.

5.2. Chairman:

A member of the Committee as appointed by the Board.

The Committee Chairman shall be independent.

The Committee Chairman will be considered independent if he or she is a non-executive director who is not a member of management, and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

5.3. Chairman's role:

The Committee Chairman shall:

- be knowledgeable of the Company's business and financial and auditing processes;
- oversee planning and conduct of Committee meetings including approval of the agenda and minutes;
- oversee reporting and verbal presentations to the Board from the Committee; and
- be involved in selection of Committee members as appropriate

5.4. Guests:

The Committee may invite any director, executive, other staff member or independent third party to attend all or part of a meeting of the Committee.

5.5. Member requirements:

As soon as practical the majority of Committee members will be independent.

A Committee member will be considered independent if he or she is a non-executive director who is not a member of management, and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

It is intended that:

- all Committee members shall be financially literate (that is, be able to read and understand financial statements);
- at least one member shall have relevant accounting and/or related financial management expertise (that is, a qualified accountant or other financial professional with experience of financial and

- accounting matters); and
- some members shall have an understanding of the industry in which the Company operates.

6. Meetings

6.1. Frequency:

The Committee shall meet as often as the Committee deems necessary to undertake its role effectively, but must meet at least 4 times a year. Additional meetings may be held if requested by the Chairman.

The proceedings of all meetings will be minuted and these will be included in the papers for the next Board meeting as soon as possible after the Committee meeting.

6.2. Attendees:

Quorum – 2 members

Relevant management and the external and internal auditors usually attend Committee meetings by invitation.

6.3. Secretarial:

Company Secretary of the Company

7. Review processes

The Charter and composition of the Committee will be reviewed at least annually. Any changes to this Charter will require approval of the Board. The Board will review the effectiveness of the Committee as appropriate.

Approved by the Board on this day the 10th of December 2015