

Audit Committee

Charter

ORG-AUDIT-CHA-005

Role

The role of the Audit Committee is to assist the Board in discharging its duties in relation to financial risk management, corporate and financial reporting, management of the external and internal audit functions and other matters as determined by the Board.

Responsibilities

Effective management of financial risks

To be aware of the areas of greatest financial risk which includes taxation risk and require that management are effectively managing those risks through appropriate financial risk management systems, policies and procedures.

To satisfy itself that effective systems of accounting and internal control are established and maintained to manage financial risk.

To satisfy itself as regards to the integrity and prudence of internal systems of compliance and control, including those which address the risk of fraudulent financial reporting and other significant instances of fraud.

To make the Board aware of any matters that might have a significant impact on the financial condition or affairs of the entity.

Compliant and reliable financial and corporate reporting

To require that the entity's accounting policies and practices are appropriate and comply with the Corporations Act, Australian Accounting Standards, Australian Securities Exchange requirements, Taxation Law and generally accepted accounting principles. The Committee should discuss with the external auditor its view on the quality and acceptability of the entity's accounting principles and policies, including the appropriateness of the accounting judgements exercised by management. The Committee should also review the adequacy of the entity's corporate reporting processes.

To review and discuss with management and the external auditor, before submission to the Board, the half year and full year financial statements, corporate reporting documents, securities exchange forms and reports required by law to accompany financial statements that are to be released to third parties.

To receive and review the management representation letter and the declarations by the Chief Executive Officer and Chief Financial Officer made in accordance with the Corporations Act and the ASX Corporate Governance Principles and Recommendations, prior to the presentation of these to the Board.

To review and recommend to the Board that the half year and full year financial statements and corporate reporting documents be approved and released.

To assess the effects of any new or proposed accounting practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

Maintenance of effective and efficient audit processes

To select an external auditor based on an assessment of submissions from potential auditors, taking into account factors such as:

- audit strategy and methodology;
- approach to managing independence and conflict of interest issues;

- relevant experience and calibre of the audit team; and
- proposed fees.

To recommend to the Board the appointment, re-appointment or replacement of the external auditor.

To approve the appointment or replacement of the Head of Internal Audit and the internal audit co-source partner.

To confirm that there have been no unjustified restrictions or limitations placed on auditors. To review the efficiency, effectiveness and objectivity of both the internal and external auditors in relation to their respective responsibilities. In relation to internal audit, review annual confirmation by the Head of Internal Audit confirming organisational independence of the internal audit activity. The Audit Committee may seek regular review of the independence of the internal audit function by an external party.

To review the scope and terms of the engagement for the external audit to establish that they are adequate, placing emphasis on areas where the Board, the Audit Committee, management and/or the external auditors believe special emphasis is necessary.

Approve the annual internal audit plan and any changes proposed to the plan at any time during the year to establish the plan is adequate, placing emphasis on areas where the Board, the Audit Committee, management and internal auditors believe special emphasis is necessary. The Audit Committee may also require engagement of an externally independent auditor to undertake any specific internal audit work where deemed necessary.

To review and assess the findings of the internal and external auditors and the action taken and timetable proposed by management in response to the findings.

To approve external audit fees and non-audit services performed by the external auditor. Non-audit services performed by the external auditor require pre-approval of the Audit Committee. The Committee may delegate authority to the Chairman of the Audit Committee or, in their absence, one independent member to approve any additional services as they arise to a limit as determined by the Committee. Approval arrangements and thresholds are determined by the Audit Committee annually.

To consider the independence of the external auditor and the level of non-audit services provided by the audit firm and report to the Board on the status of their independence and any issues arising. The lead audit and review partners for the external audit should be rotated every five years, with a minimum of two years before any individual audit partner is again involved with the audit.

Each meeting shall include a closed session between the external auditor, the Head of Internal Audit, any external internal auditor where they have been involved in a significant piece of work and the Audit Committee without management present.

Other responsibilities

To report to the Board on the company's ability to pay and frank interim and full year dividends, consistent with its review of the relevant financial statements and the company's current dividend policy.

To report any matter identified during the course of carrying out its duties that the Audit Committee considers should be brought to the attention of the Board.

To perform or undertake on behalf of the Board any such other tasks, investigations or actions as the Board may from time to time authorise.

Composition

The Audit Committee and its Chairman shall be appointed by the Board. It shall have at least three members and all members shall be non-executive Directors. A majority of the Committee, and its Chairman, should be independent directors. The Chairman of the Audit Committee may not be the Chairman of the Board.

A quorum shall be two members.

Members of the Audit Committee should have between them accounting and financial expertise and a sufficient understanding of the industry in which the Company operates.

All Directors have a standing invitation to attend meetings of the Committee.

The Audit Committee may invite such other persons (eg the Chief Executive Office and Chief Financial Officer) as it deems necessary.

The Head of Internal Audit and external auditors shall normally make presentations to the Audit Committee at its meetings.

The Secretary of the Audit Committee shall be the Company Secretary or such other person as nominated by the Board.

Procedures

Meetings shall meet as required but should meet at least four times a year. The internal or external auditors may request a meeting if they consider that one is necessary.

Comprehensive papers and an agenda should be provided to Audit Committee members before each meeting.

Minutes of meetings will be prepared and will be circulated to the Committee Chairman and then to the Committee and Board after each meeting.

The Audit Committee Chairman should report to the Board after each Committee meeting, including recommendations on any specific decisions or actions the Board should consider and other matters relevant to the Committee's role and responsibilities.

The Committee may have access to adequate internal and external resources, including seeking advice or assistance from external advisors or consultants if required to enable the Committee to fulfil its role.

Approval and review of Charter

The Audit Committee Charter will be approved by the full Board. The Audit Committee will review the Charter every two years to ensure its relevance and the effectiveness of the Committee, and make recommendations for any amendments to the Board.

The Audit Committee Charter shall be available to shareholders and should be posted on the Company's website.

Approved by the Board December 2016.