

Audit & Risk Committee Charter

Constitution

The audit & risk committee shall be a committee of the board established by the board.

Objectives

The objective of the committee is to assist the board in discharging its responsibilities relative to financial reporting, regulatory conformance and risk management.

Membership

Members of the committee shall comprise members of the board appointed by the board. The number of members of the committee shall not be less than three (3) all of whom, wherever possible, be independent non-executive directors. The CEO shall not be a member of the committee. The board shall appoint a chair from the non-executive members of the committee. The chair of the board shall not be chair of the committee.

Audit & risk committee members are:

- Geoff Plunket (Chair)
- Tony Offen
- Barry Richardson

Secretarial and Meetings

- The secretary of the committee shall be appointed by the board if required by the board otherwise the secretarial role can be carried out by any member of the committee.
- A quorum of members of the committee shall be two (2).
- The committee may have in attendance such members of management including the chief financial officer, and such other persons including the external auditors, as it considers necessary to provide appropriate information and explanations.
- Directors may attend meetings only at the invitation of the committee whilst executive directors shall not be entitled to attend those meetings which the committee chooses to hold without any company executives present.
- Reasonable notice of meetings and the business to be conducted shall be given to the members of the committee, all other members of the board, the CEO, the chief financial officer and external auditors.
- Meetings shall be held not fewer than three (3) times a year having regard to the company's reporting and audit cycle.
- Any member of the committee, the CEO, the chief financial officer or the external auditors may request a meeting at any time if they consider it necessary.
- Minutes of all meetings shall be kept.

Responsibilities

The responsibilities of the committee are as follows:

- Liaison with external auditors.
- Review of the annual audit plan with external auditors.
- Assessment of the performance of financial management.
- Review of audit findings and the annual financial statements.
- Review of interim financial information.
- Prior clearance of public releases of financial information to the media.
- Review of accounting policies
- Oversight of compliance with statutory responsibilities relating to financial and other requirements.
- Review of business insurances

- Review of Company Risk Register
- Review of the frequency and significance of all transactions between the company and related parties and assessment of their propriety.
- Review of the appointment of the external auditors and their fees
- Review of the independence of the external auditors and the appropriateness of any non-audit services they undertake for the company.
- Supervision of special investigations when requested by the board.

In addition, the committee shall examine any other matters referred to it by the board.

Authority

The committee is authorised by the board to investigate any activities within its terms of reference. It is authorised to seek any information it requires from any employee and all employees will be directed to cooperate with any request made by the committee.

The committee will make recommendations to the board on all matters requiring a decision. The committee does not have the power or authority to make a decision in the board's name or on its behalf.

The committee is authorised by the board to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers necessary.

Review of the committee and the terms of reference

The committee shall undertake an annual self-review of its objectives and responsibilities and of its terms of reference. Such objectives, responsibilities and terms of reference shall also be reviewed by the board, the CEO, the chief financial officer and any other person the board considers appropriate.

Reporting procedures

The committee shall maintain direct lines of communication with the external auditors, the CEO, the chief financial officer, the internal auditors, and with management generally including those responsible for nonfinancial risk management.

The CEO and the chief financial officer shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of the company, any material breakdown in internal controls, and any material event of fraud or malpractice.

The committee shall be provided with copies of all correspondence between the external auditors and management that the external auditor considers appropriate for keeping the committee informed of all material matters.

After each committee meeting the chair shall report the committee's findings and recommendations to the board with minutes attached. The minutes of all committee meetings shall be circulated to members of the board, the CEO, the chief financial officer, the external auditors and to such other persons as the board directs.

The chair shall present an annual report to the board summarising the committee's activities during the year and any related significant results and findings.