

Charter

ORG-AUDIT-CHA-002

Role

The role of the Audit Committee is to assist the Board in discharging its duties in relation to financial risk management, 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 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 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 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 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.

To review and discuss with management and the external auditor, before submission to the Board, the half year and full year financial statements, 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 Managing Director and Executive Director, Finance and Strategy made in accordance with the Corporations Act and Principle 7 of the ASX Corporate Governance Council Best Practice 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 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 recommend to the Board the appointment, re-appointment or replacement of the internal and external auditors.

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.

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

Each meeting shall include a closed session between the external auditor, the internal auditor 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. A quorum shall be two. It shall have at least three members and all members shall be non-executive Directors. A majority should be independent directors. Decisions of the Committee shall be made by a majority of members present. Members of the Audit Committee should be financially literate in the opinion of the Board and at least one member should have financial expertise and the Committee should have sufficient understanding of the industry in which the Company operates. The Chairman of the Audit Committee may not be the Chairman of Directors.

The Audit Committee Chairman has the power to convene and conduct meetings of the Audit Committee.

The Audit Committee may invite such other persons (eg the Managing Director and Executive Director, Finance and Strategy) as it deems necessary. All directors, including those directors not on the Audit Committee may attend Audit Committee meetings with the consent of the Chairman of the Audit Committee.

The internal 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 be held not less than four times a year. Additional meetings of the Audit Committee may be convened as required. 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.

The proceedings of all meetings will be recorded in minutes. The minutes of each meeting will be distributed to all Committee members and other Directors after the preliminary approval has been given by the Audit Committee Chairman, and be considered at a subsequent meeting of the Board.

The Audit Committee has powers to:

- obtain Company documents and any information it requires from:
 - any employee (and all employees are directed to co-operate with any request made by the Audit Committee); and
 - external parties; and
- obtain outside legal or other independent professional advice.

The Audit Committee Chairman should report to the Board after each Committee concerning the proceedings of the Committee and all matters relevant to the Committee's role and responsibilities.

Review of Committee Performance and Charter

The Audit Committee will undertake a formal review of its performance biennially and provide the outcomes of this review to the Board.

This Charter will be reviewed every two years by the Audit Committee to ensure its effectiveness and currency and including consideration of the following matters:

- any relevant outcomes arising from the biennial Committee review process;
- significant changes in the Company's operations and activities; and/or
- additional or revised regulatory requirements.

Any changes are to be recommended to the Board for approval.

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

Approved by the Board June 2011