
AUDIT, RISK AND COMPLIANCE COMMITTEE (ARCC) CHARTER

1. Role

The role of the ARCC is to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance, and monitoring and reviewing risks and the risk management framework. This Charter defines the ARCC's function, composition, mode of operation, authority and responsibilities.

2. Composition

- (a) The Committee must comprise at least three members.
- (b) Where practicable all members of the Committee must be non-executive Directors.
- (c) Where practicable a majority of the members of the Committee must be independent non-executive Directors.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements.
- (f) The Chairman of the Committee must not be the Chairman of the Board of Directors and must be independent.
- (g) The Chairman will have extensive leadership and business experience, including relevant legal or finance experience.
- (h) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

3. Purpose

- (a) The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:
 - (i) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
 - (ii) compliance with all applicable laws, regulations and Company policy;
 - (iii) the effectiveness and adequacy of internal control processes;
 - (iv) the performance of the Company's external auditors and their appointment and removal; and
 - (v) the independence of the external auditor and the rotation of the lead engagement partner.
 - (vi) the identification and management of business, economic, environmental and social sustainability risks; and
 - (vii) the review of the Company's risk management framework at least annually to satisfy itself that it continues to be sound.
- (b) A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

4. Duties and responsibilities of the Committee

4.1 Review of financial reports

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half yearly and annual results before their submission to the Board and advising the Board on their adoption.
- (h) Ensure that before the Board approves the Company's financial statements for a financial period, the Chief Executive Officer and Chief Financial Officer have declared that, in their opinion, that:
 - the financial statement of the Company and its controlled entities (where appropriate) for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
 - the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
 - the Company's risk management and internal compliance and control framework is operating effectively and efficiently in all material respects.

4.2 Relationship with external auditors

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners, and oversee management's appointment of the Company auditor.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half yearly or Annual Reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- (f) Meet with the external auditors at least twice in each financial period and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company, review the evaluation by management of the independence of the auditors and assist in the preservation of such independence.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act.
- (k) Ensure the external auditor attends the Company's Annual General Meeting and is available to answer questions from security holders relevant to the audit.

4.3 Internal audit function

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.

- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.

4.4 Risk management

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate).
- (c) Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.
- (d) Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

4.5 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistleblower protection.
- (c) Monitor related party transactions.

4.6 Meetings

- (a) The Committee will meet at least once in each financial half year, and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum will consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members will elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.

4.7 Secretary

- (a) The Company Secretary or their nominee will be the Secretary of the Committee and will attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary will distribute supporting papers for each meeting of the Committee as far in advance as possible.

5. Reliance on information or professional or expert advice

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters the member believes on reasonable grounds to be within the person's professional or expert competence; or

- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

6. Access to advice

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

7. Review of Charter

- (a) The Board may conduct an annual review of the membership to ensure the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter will be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and may be posted to the Company's website.

8. Report to the Board

- (a) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.