

AUDIT & RISK COMMITTEE CHARTER

The Audit & Risk Committee (**Committee**) established by the Company will carry out its function in accordance with this Audit & Risk Committee Charter (**Charter**). If the Committee is not established then the Board shall carry out the function of the Committee in accordance with this Charter.

Constitution

When applicable, the Committee will be established by resolution of the Board. The Board may delegate certain functions of the Committee to a distinct committee, for example an Audit Committee.

Membership

The Committee will where possible consist of at least three Non-Executive Directors, a majority of whom are independent, and such other members so that overall Committee comprises:

- at least one member who understands the industry in which the Company operates; and
- members who can read and understand financial statements and are financially literate.

The relevant qualifications and experience of the members of the Committee are to be disclosed in the annual report of the Company for each Reporting Period.

Except as otherwise determined by the Board, no member of the Committee shall simultaneously serve on the audit committees of more than two (2) other companies with securities listed for trading on a securities exchange unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and the Company discloses such determination in connection with its annual meeting of shareholders.

Any vacancy on the Committee shall be filled by the Board. No member of the Committee shall be removed except by the Board.

Chair

The full Board will nominate the Chair of the Committee, who shall where possible be an independent non-executive Director and who shall not be the Chairperson of the Board.

Secretary

The Secretary will be the secretary of the Committee.

Other Attendees

The CEO/Managing Director and CFO, as well as other members of Senior Management, may be invited to be present for all or part of the meetings of the Committee, but where possible will not be members of the Committee.

Representatives of the external auditor of the Company are invited to attend Committee meetings, or meetings with authorised representative(s) of the Committee, on an annual basis.

Quorum

A quorum will be two members (two Directors if the Committee is constituted by the Board).

Meetings

Committee meetings will be held as often as required to enable the Committee to undertake its role effectively but will be sought to be held at least two times per year. In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Committee, the CEO/Managing Director, the Company Secretary or the Board, or the internal or external auditors (as applicable). At the end of each Reporting Period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings shall be disclosed in the annual report of the Company.

Authority

The Committee is authorised by the Board to investigate any activity within its charter. The Committee will have access to management and auditors and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is authorised to conduct or authorise investigations into any matters within the Committee's scope of responsibilities or when requested by the Board.

The Committee is required to make recommendations to the Board on all matters within the Charter.

Reporting Procedures

The Committee will keep minutes of its meetings. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee and circulated to the Board with the board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

Responsibilities of the Audit & Risk Committee

The Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Committee has the following duties and such other matters as delegated by the Board from time to time:

Accounting Practices and External Reporting

Financial Statements

- To review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:
 - any changes in accounting policies and practices;

- any material financial arrangements of the Company which do not appear on the financial statements of the Company;
- any unusual transactions, pending litigation, outstanding claims or contingencies which believe may have a material effect on the financial position or operations of the Company and the manner in which these matters are disclosed in financial statements
- major judgmental areas;
- significant adjustments, accounting and financial reporting issues resulting from the internal and external audit;
- asset carrying values and impairment testing;
- going concern considerations;
- compliance with accounting policies and standards; and
- compliance with legal requirements.
- To review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence, for example to review:
 - all alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
 - all other material written communications between the independent auditors and management, such as any management letter and any schedule of unadjusted differences;
 - any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
- To monitor developments likely to affect financial reporting including legislative pronouncements or disclosure requirements.

Before the Company approves financial statements for a financial period (being a period within which the Company must report on its financial performance in accordance with its disclosure obligations), the Managing Director/CEO and CFO (or, if none, the person(s) fulfilling those functions) must provide a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion of the Managing Director/CEO and the CFO (or, if none, the person(s) fulfilling those functions) has been formed on the basis of a sound system of governance, risk management and internal controls (the formulation of which are provided for in this Charter) which is operating effectively.

Periodic financial or other reports released in or for a particular financial period which are not audited or reviewed by the external auditor are to be peer-reviewed internally and signed off on by the CFO and the Board prior to release (including release as an announcement to ASX).

Related Party Transactions

To establish and implement policies and procedures for the Committee's review and approval or disapproval of related party transactions. To monitor and review the propriety of any related party transactions.

Internal Audit Function (as applicable)

- To monitor the need for a formal internal audit function and its scope;
- To assess the performance and objectivity of any internal audit procedures that may be in place;
- To review the risk management and internal compliance procedures;
- To monitor the quality of the accounting function;

- To review the internal controls of the Company via consideration of any comments from the Company's internal and/or external auditors and/or commissioning an independent report on the Company's internal controls; and
- To review with management the progress and results of internal audit projects and, when deemed necessary or appropriate by the Committee, direct the Company's Chief Executive Officer to assign additional accounting or internal audit projects as applicable.

External Audit Function

- To recommend to the Board the appointment of the external auditor;
- To meet privately, either as an entire Committee or via delegates of the Committee, with the external auditor on at least an annual basis;
- Each year, to review the appointment of the external auditor, their independence, the scope of their appointment, the audit fee, and any questions of resignation or dismissal;
- To discuss as necessary with the external auditor before the audit commences the nature and scope of the audit, and to ensure coordination between staff and external auditor;
- To determine that no management restrictions are being placed upon external auditor;
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
- To review the external auditor's letter to management and management's response; and
- To review any regulatory reports on the Company's operations and Management's response.

Communication

- Providing, through regular meetings, a forum for communication between the Board, management, staff involved in internal control procedures and auditors;
- Enhancing the credibility and objectivity of financial reports with other interested parties, including creditors, key stakeholders and the public; and
- Establishing procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters and ensuring a mechanism for the confidential treatment of such complaints and reports including the ability to submit them anonymously.

Assessment of Effectiveness

To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management, internal auditors (if any) and the external auditors.

If the Company has an internal audit function the Committee shall be responsible for determining the structure and role of the internal audit function in the context of the Company.

Oversight of the Risk Management System

- To establish and maintain a documented risk management policy and plan and recommend it to the Board;
- Monitor management's performance against the Company's risk management systems, including whether the Company is operating within the risk appetite adopted by the Board and to make recommendations to the Board in relation to changes that may be desirable to the management systems or risk appetite as set by the Board;
- To review at least once during each Reporting Period the Company's risk management framework to ensure that risks relevant to achieving the Company's strategic, business and reputational objectives are appropriately informed to the Board and to ensure that the risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite as set by the Board;

- To oversee the internal compliance and control procedures of the Company in connection with its risk management framework and the performance of the Company against its risk management framework and risk appetite;
- To review any material incident involving fraud or a breakdown of the Company's risk controls.
- Meet periodically with key management, internal staff and external auditors to understand and discuss the Company's control environment and make recommendations;
- Receive reports from internal audit on its review of the adequacy of the Company's processes for managing risk;
- Receive reports from management on new and emerging sources of risk controls and mitigation measures that management has put in place to deal with those risks;
- Assess the internal processes for determining and managing key risk areas, including:
 - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations law;
 - the Company's insurance program;
 - litigation and claims; and
 - relevant business risks other than those that are dealt with by other specific committees.
- To evaluate the Company's exposure to fraud, especially fraud that involves management or other employees who have a significant role in the Company's internal control over financial reporting;
- To advise the Board in relation to risk oversight and management policies, including any variations to the risk management framework of the Company;
- To take an active interest in ethical considerations regarding the Company's policies and practices;
- To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest;
- To identify and direct any special projects or investigations deemed necessary;
- To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations;
- To specifically address social and environmental risks that the Company faces;
- To ensure a safe working culture is sustained in the workforce;
- To oversee the Company's insurance program, having regard to the business and insurable risks associated with the business of the Company;
- To determine the Company's Risk Profile describing the material risks, including both financial and non-financial matters, facing the Company and to assess the Company's Risk Profile as adopted and provide recommendations to update such risk profile with respect to forecast probabilities of financial and non-financial risks the Company faces (or may in future face); and
- To regularly review and update the risk profile (including the risk management systems and risk appetite as described above) and in any event at least once during each Reporting Period.