



CHARTER

AUDIT AND COMPLIANCE COMMITTEE

The Board has resolved to establish a Committee of the Board to be known as the Audit and Compliance Committee.

SCOPE AND DUTIES

The primary objective of the Audit and Compliance Committee is to assist the Board in fulfilling its responsibilities relating to the accounting and reporting practices of the Company and to advise on any matters of financial or regulatory significance which may be referred to it by the Board from time to time. In addition, the Committee is to assist the Board in fulfilling its responsibilities relating to compliance by the Company with legal and contractual obligations.

Specifically, the Audit and Compliance Committee will:-

- Review compliance with Director's statutory responsibilities and community standards.
- Review the effective management of financial business risk.
- Preview the Company's financial information prepared by management for external parties.
- Establish a policy and Code of Conduct for Directors to ensure compliance with statutory responsibilities and codes of conduct adopted by the Board.
- Oversee and appraise the quality of audits conducted within the Company by internal and external auditors.
- Assess the adequacy and effectiveness of internal control systems to ensure integrity of the Company's records to safeguard its assets and to ensure compliance with:-
 - Laws and regulations, which affect the Company's operations including financial reporting.
 - Prudential supervision requirements.
 - Codes of conduct that the Company has adopted to ensure that the statement of corporate governance is accepted and adhered to by all Directors and employees.
- Update the Board on changing financial community standards and recommend changes to Company policy.
- Monitor legislative changes relating to Directors and other statutory responsibilities.
- Monitor developments in codes of conduct and community standards as they relate to the Company's activities.
- Receive regular reports on the status of any compliance program and on potential breaches of compliance relating to Director's statutory responsibility, Code of Conduct, relevant



legislation and community standards including but not limited to trade practices, risk management and financial derivatives.

- Review and recommend approval of any prospectus prepared on behalf of the Company,
- Investigate any potential breach of the Company's policy, code or obligation and to recommend any action as a result of its investigation.
- Review compliance with continuous disclosure obligations in accordance with the Corporations Law and the Australian Stock Exchange Listing Rules.
- Maintain open lines of communication between the Board, Company Auditor and management.

COMPOSITION

- All members of the Committee will be non-executive members of the Board of Directors. A majority of the members of the Committee shall be independent, non-executive directors. and a quorum shall be two (2).
- Non-executive members of the Committee shall be appointed by the Board for an initial term of three (3) years after which their appointment may be subject to rotation (subject to continuing membership of the Board).
- The Chairman must be an independent, non-executive director, who is not the chairman of the Board.
- The Chief Executive and the Finance Director should be given notice of all meetings and have the right to attend and speak at such meetings other than when matters relating to their own performance are under discussion.

SECRETARY AND MEETINGS

The Company Secretary shall be appointed Secretary of the Committee.

The Secretary, in conjunction with the Chairman, shall draw up an agenda, which will be circulated at least one week prior to each meeting to the members of the Committee. The Chairman will call a meeting of the Committee if so requested by any Committee member or the Chief Executive.

The external auditor should be given notice of all meetings and, at the Chairman's discretion, have the right to attend and speak at such meetings.

The Secretary will prepare minutes of the meeting of the Committee for the approval of the Chairman at its next meeting. Minutes of the Committee meeting are to be circulated to all directors and reported at the Directors' meeting following the Committee meeting.

AUTHORITY

The Committee discharges its responsibilities by making recommendations to the Board. The Committee does not have any executive powers to commit the Board or Management to their



implementation. The Committee is not responsible for supervising the performance of executives and does not become involved in day-to-day operations, management functions or decision making.

The Committee shall have unrestricted access to both internal and external auditors and to senior management of the Company.

The Committee shall have the ability to direct any special investigation and to consult independent experts where necessary to carry out its duties.

6 July 1999 (reviewed 28 July 2009)