

(the Company)

Audit and Risk Committee Charter

*Once the Board is of a sufficient size and structure, reflecting the Company's growth in operations, then the Board will establish a separate Audit and Risk Committee (**Committee**) to assist in fulfilling its duties.*

Until such time, the Board will carry out the duties that would ordinarily be assigned to the Committee under the written terms of reference, being this adopted Charter.

In this Charter, a reference to the Committee is a reference to the Board and a reference to a meeting of the Committee is a reference to a meeting of the Board for the purposes of satisfying the responsibilities of the Committee.

This Charter has been adopted.

1. Purpose

The Audit and Risk Committee is established to safeguard the integrity of the accounting and reporting practices of the Company – that is it identifies, manages and reports financial risk. In addition, the Committee:

- oversees, co-ordinates and appraises the quality of the audits conducted by both the Company's external and internal auditors (if and when appointed);
- determines the independence and effectiveness of the external and internal auditors;
- maintains open lines of communications between the Company and the internal and external auditors to exchange views and information, as well as confirm of their respective authority and responsibilities;
- serve as an independent and objective party to review the financial information prepared by management for issue to shareholders, regulatory authorities and the general public; and
- review the adequacy of the reporting and accounting controls of the Company.

The Committee is not required to personally conduct accounting reviews or audits and is entitled to rely on employees of the Company or professional advisers where appropriate.

2. Membership

The Board shall appoint the members of the Committee and review the composition of the Committee at least annually. The Committee should comprise at least 3 members and only non-executive Directors, a majority of whom are independent;

Directors who are eligible to be elected to the Committee should be financially literate (i.e. are able to read and understand financial statements) and have an understanding of the industry in which the Company operates. At least one member shall be a qualified accountant or other financial professional with experience of financial and accounting matter.

Members will be appointed for an initial term of 2 years and shall be eligible for re-appointment provided they remain independent Directors of the Board.

The Chair of the Committee will be appointed by the Board and will not be the Chair of the Board of Directors. The Chair shall have leadership experience and strong finance, accounting and/or business background. The Chair is to be present at the Company's Annual General Meeting to answer relevant questions.

The Chair of the Audit and Risk Management Committee will be disclosed in the Company's Annual Report.

The Committee will appoint a Secretary who will normally be the Company Secretary.

3. Meetings

The Committee shall meet as frequently as required to undertake its role effectively but in any event at least four times each year - to plan for the Annual and Interim audit and reporting process and again to sign off the Annual Report and Interim Financial Report.

An agenda confirming the date, time and venue together with the business of the meeting and discussion papers shall be forwarded to each member of the Committee at least three working days prior to the date of the meeting.

The Secretary will attend all Committee meetings and record minutes of the discussions. All minutes of the Committee, when approved and signed by the Committee chair will be tabled at the next Board meeting of the Board.

The Committee Chair shall report the findings and recommendations of the Committee to the Board after each Committee meeting.

The Committee in meeting will:

- a) Review and have input into external audit plans;
- b) Review and approve the annual and interim financial reports;
- c) Update audit plans; and
- d) Review the risk management procedures implemented by the Company.

Furthermore, the Committee shall meet in private session as and when required to assess areas of effectiveness.

Committee may invite

The Committee may invite any member of the executive management, the internal auditor, the external audit engagement partner or other individual to attend meetings of the Committee;

At meetings held to consider half-year and full year reports, the external audit engagement partner will be invited to present his findings, comments and suggestions resulting from the audit work performed; and

All directors, regardless of whether they are members of the Committee, are invited to attend the meetings and will be provided with copies of the Committee papers.

4. Authority

In performing its functions in accordance with any applicable law, the Committee:

- has unrestricted access to the external auditors, the internal auditors, senior management and employees of the Company;
- has unrestricted access to information and reports relevant to fulfilling its responsibilities;
- may seek independent external advice (at the cost of the Company) on matters brought before the Committee or in relation to the functions and responsibilities of the Committee; and
- investigations into any matters within the Committee's scope of responsibilities or when requested by the Board.

5. Responsibilities

The Committee must promote an environment within the Company which is consistent with best practice financial reporting. In particular, the Committee must:

Understanding the business

- ensure the Committee understands the Company's structure, business and controls in order to adequately assess the significant risks of the Company.

In selecting an external auditor, particular consideration will be given to determining whether the fee quoted is sufficient for the work required, that the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge and whether the work proposed is sufficient to meet the Company's needs and expectations.

The appointment of a new external audit firm will be placed before shareholders for ratification at the next annual general meeting after the appointment is made.

(b) Pre-approval of audit and non-audit services provided by external auditors

The Committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage an external auditor to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company.

The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

(c) Assessment of the external audit

The Committee shall annually obtain and review a report by the external auditors describing (or meet, discuss and document) the following:

- the audit firm's internal quality control procedures;
- any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any enquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
- all relationships between the external auditor and the Company (to assess the auditor's independence).

The Committee shall establish clear policies in relation to employees or former employees of the external auditor to prevent the impairment or perceived impairment of the external auditor's judgement or independence in respect of the Company.

The Committee shall review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company.

(d) Rotation and succession planning

The Committee will discuss with the auditor the provisions the audit firm has in place for the rotation of the lead engagement partner and the independent review partner. The Company shall require that the lead engagement partner should be rotated at least every 5 years and the review partner should be rotated at least every 3 years.

6. Risk Management

The Committee shall be responsible for implementing and overseeing the Company's Risk Management system including:

- reviewing the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control;
- in consultation with the external auditor review the need for an internal audit function. The Committee will determine the extent the external auditor has reviewed the internal controls of the Company and the appropriateness of this review as to whether there is a need for an internal control function; and
- regularly review and update the Company's risk profile

The Company recognises that it has exposure to economic, environmental and social sustainability risks which are managed through a series of internal and publicly available policies, including but not limited to the Board Charter and the Code of Business Conduct,

7. Internal Audit Function

The Company does not currently have an internal audit function. The Committee liaise with management and the external auditors to continually improve the effectiveness its internal control processes.

The Committee will recommend the establishment of an internal audit function when the scale of activity by the Company warrants establishment.

8. Management sign-off procedure

The Committee will ensure the Chair and Chief Financial Officer provide a written statement to the Board certifying the Company's annual financial report and half yearly financial reports are in accordance with the requirements of Corporations Act prior to the Board sign-off of such financial reports.

9. Committee performance

The Committee shall annually perform an evaluation of its performance to determine whether it is functioning effectively by reference to current best practice.

The Board will evaluate the performance of the Committee as appropriate.

This Policy shall be reviewed by the Committee on a regular basis and a report provided to the Board, if required, recommending any necessary amendment and additional duties and responsibilities.

Policy History

Date	Change Reason
June 2020	3 rd Revision
August 2017	2 nd Revision
September 2015	1 st Revision
July 2013	Policy adopted by the Board