

AUDIT COMMITTEE CHARTER

Scope

The Audit Committee is a committee of the Board of the Company with the specific powers delegated under this charter. The charter sets out the Audit Committee's function, composition, mode of operation, authority and responsibilities.

Function

The primary function of the Committee is to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company. In addition, the Committee will:

(a) oversee, co-ordinate and appraise the quality of the audits conducted by both the Company's external and internal auditors;

(b) determine the independence and effectiveness of the external and internal auditors;

(c) maintain open lines of communications among the Board and the external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;

(d) serve as an independent and objective party to review the financial information submitted by management to the Board for issue to shareholders, regulatory authorities and the general public; and

(e) 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.

Membership and composition

The Board shall appoint the members of the Committee and review the composition of the Committee at least annually. The Committee will comprise:

(a) at least two members;

(b) a majority of non-executive directors whom are independent;

(c) an independent chairman appointed by the Board and who is not the Chairman of the Board; and

(d) where possible, members with sufficient financial skills and experience relevant to the committee's functions.

Meetings

The Committee shall:

- (a) meet as frequently as required but at least two times per year; and
- (b) the minimum quorum for a committee meeting is two members.

The secretary of the Committee is the Company Secretary.

Authority

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

- (a) has unrestricted access to the external auditors, senior management and employees of the Company;
- (b) has unrestricted access to information and reports relevant to fulfilling its responsibilities;
- (c) may seek independent external advice on matters brought before the Committee or in relation to the functions and responsibilities of the Committee; and
- (d) shall have the power to conduct or authorise investigations into any matters within the committee's scope of responsibilities or when requested by the Board.

Responsibilities

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

- (a) perform an independent review of financial information prepared by management for external reporting. This will include conducting reviews of the annual report, directors' report, annual financial statements, half yearly financial statements and any other externally reported financial information required by law;
- (b) monitor the integrity and effectiveness of financial reporting processes;
- (c) review and assess the external audit arrangements;
- (d) review and ensure implementation of legislated major accounting changes;
- (e) ensure that appropriate policies are established and adequate systems are in place to identify and disclose related-party transactions and assess the propriety of any related party transactions; and
- (f) ensure that the Board is kept regularly informed on general progress and activities, and is promptly briefed on all significant matters.

External audit arrangements

The Committee shall report to the Board on external audit arrangements, including:

(a) making recommendations to the Board on the appointment, reappointment, replacement and remuneration of the external audit firm;

(b) review the terms of engagement for the external auditor;

(c) review the scope of the external audit with the external auditor including identified risk areas;

(d) monitor the performance of the external audit including assessment of the quality and rigour of the audit, quality of the service provided and the audit firm's internal quality control procedures;

(e) review and assess non-audit services to be provided by the external auditor, with particular consideration to the potential to impair or appear to impair the external auditors' independence;

(f) review and monitor management's responsiveness to the external audit findings; and

(g) on a periodic basis, meet with the external auditor without the presence of management.

Appointment of external auditor

Should a change in auditor be considered necessary, a formal tendering process will be undertaken. The Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

The Committee will ensure that prospective auditors have been provided with a sufficiently detailed understanding of the Company, its operations, its key personnel and any other information, including group structures and financial statements, that will have a direct bearing on each firm's ability to develop an appropriate proposal and fee estimate.

The Committee and the Board will consider the appointment in conjunction with senior management.

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.

Rotation and succession planning

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

Management sign-off procedure

The Audit Committee will ensure that the Managing Director and Company Secretary or Chief Financial Officer prepare a written statement to the Board certifying that the Company's annual financial report and half yearly financial report present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.

The statement is to be presented to the Board prior to the approval and sign-off of the respective annual and half yearly financial reports.

This policy is reviewed **every two years**.

REMUNERATION COMMITTEE CHARTER

Functions and responsibilities

The Remuneration Committee is a committee of the Board with its principle functions being:

(a) to review and recommend to the Board the overall strategies in relation to executive remuneration policies;

(b) to review and make recommendations to the Board in respect of the compensation arrangements for the Managing Director, all other executive directors, all non-executive directors and all senior management;

(c) to review the effectiveness of performance incentive plans; and

(d) to review and make recommendations to the Board in respect of all equity based remuneration plans.

In consultation with the Managing Director, the Committee will review and recommend to the Board for approval, the Company's general approach to compensation and will oversee the development and implementation of the compensation regime.

Composition

The Committee shall comprise at least two members of the Board the majority of whom will be non-executive directors. Directors serving on the Remuneration Committee should have diverse, complementary backgrounds. The Chairman of the Committee shall be an independent director. The Company Secretary will be the secretary of the Committee and will act as the principal liaison between executive management and the committee on remuneration matters.

Meetings

The Committee shall meet as frequently as required, but not less than once per year.

The Committee shall have access to professional advice.

Two members of the Committee shall comprise a quorum. Where only two members are present, the unanimous vote of the two members will constitute an act of the Committee. Where the committee comprises more than two committee members, the vote of a majority of the members present will constitute an act of the Committee.

Remuneration policy

This policy governs the operations of the Remuneration Committee. The Committee shall review and reassess the policy at least annually and obtain the approval of the Board.

General director remuneration

Shareholder approval must be obtained in relation to the overall limit set for directors' fees. The directors shall set individual Board fees within the limit approved by shareholders. Shareholders must also approve the framework for any equity based compensation schemes and if a recommendation is made for a director to be issued incentive securities, that issue must be approved by the shareholders.

Executive remuneration

The Company's remuneration policy for executive directors and senior management is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration which is market related, together with performance based remuneration which is equity based.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Company and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information and expert advice.

The Committee's reward policy reflects its obligation to align executive's remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Company. The main principles of the policy are:

- (a) reward reflects the competitive market in which the Company operates; and
- (b) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives and other senior managers consists of the following:

- (a) salary - executives director and senior manager receive a fixed sum payable monthly in cash;
- (b) bonus - directors may be issued incentive share options with the prior approval of shareholders. Executives may also participate in employee share option schemes, with any option issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board however, considers it appropriate to

retain the flexibility to issue options to executives outside of approved employee option plans in exceptional circumstances; and

(c) other benefits - executive directors and senior managers may receive other benefits in certain circumstances.

Non-executive remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for directors is currently \$500,000.

Non-executive directors are entitled to participate in equity based remuneration schemes, subject to shareholder approval.

All directors are entitled to have their indemnity insurance paid by the Company.

This policy is reviewed **annually**.