



OREXPLORE
TECHNOLOGIES

Audit Committee Charter

ACN 645 505 406

Audit Committee Charter

1. Constitution

As and when considered appropriate by the Board, an Audit Committee will be established by resolution of the Board.

2. Membership

The Audit Committee will consist of not less than three members and shall consist of a majority of independent directors. In addition, the Audit Committee will comprise:

- (a) members who understand financial statements and are otherwise financially literate;
- (b) at least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- (c) at least one member who has an understanding of the industry in which Orexplere Technologies Limited (**Company**) operates.

3. Chair

The Audit Committee will appoint an independent Director, other than the Chair of the Board, to be the Chair of the Committee.

4. Secretary

- 4.1 The Company Secretary will be the Secretary of the Audit Committee.

5. Other attendees

- 5.1 The 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 Audit Committee, but will not be members of the Committee.
- 5.2 Representatives of the external auditor are expected to attend at least one meeting of the Audit Committee per year without any management staff or executives present.

6. Quorum

A quorum will be two members.

7. Meetings

- 7.1 Audit Committee meetings will be held not less than two times a year or as required.
- 7.2 Meetings and subsequent approvals and recommendations can be implemented by a circular

written resolution or conference call.

- 7.3 Decisions will be based on a majority of votes with the Chair having a casting vote.
- 7.4 Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

8. Authority

The Audit Committee is authorised by the Board to investigate any activity within its charter. The Audit Committee will have access to management and auditors (external) with or without management present 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 Audit Committee.

9. Financial statements

- 9.1 The Audit Committee shall 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.

10. Related party transactions

The Audit Committee shall monitor and review the propriety of any related party transactions.

11. External audit function

- 11.1 The Audit Committee shall recommend to the Board the appointment of the external auditor.
- 11.2 Each year, the Audit Committee shall review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.
- 11.3 The Audit Committee shall review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- 11.4 The Committee shall meet with the external auditors at least once in each financial period without management being present and at any other time the Committee considers appropriate.
- 11.5 The Audit Committee shall discuss with the external auditor before the audit commences the nature and scope of the audit, and to ensure coordination between the external auditor and the Company's accounting staff.
- 11.6 The Audit Committee shall review and make recommendations on fees payable to the auditor for audit and non-audit work.
- 11.7 The Audit Committee shall ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- 11.8 The Audit Committee shall ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.

Policy on Selection, Appointment and Rotation of External Auditors

12. Selection of external auditors

- 12.1 Should there be a vacancy for the position of external auditor, the Audit Committee, will conduct a formal process, either general or selective, to select which audit firm will fill the vacancy.
- 12.2 Audit firms are evaluated in accordance with criteria, as appropriate from time to time, and are not assessed solely on the basis of who is cheapest, but on a number of issues such as:
- (a) skills and knowledge of the team proposed to do the work;
 - (b) quality of work;
 - (c) independence of the audit firm;
 - (d) lead signing partner and independent review partner rotation and succession planning policy;
 - (e) value for money; and
 - (f) ethical behaviour and fair dealing.

13. Appointment of external auditors

The Audit Committee identifies and recommends an appropriate external audit partner for appointment by the Board and/or the Company in general meeting.

14. Rotation of external audit partners

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to the audit of the Company's financial statement for a period of more than five consecutive years. Further, once rotated off the Company's audit, no partner of the external auditor may assume any responsibility in relation to the Company's financial statements for a period of three consecutive years. This requires succession planning on the part of the external auditor, a process in which the Company is involved.

15. Internal audit function

- 15.1 The Audit Committee shall recommend to the Board the appointment of an internal auditor if and when one is required.
- 15.2 If and when one is required, the Audit Committee shall consider the appointment of an internal auditor, the audit fee (if externally contracted) and any questions of resignation or dismissal.
- 15.3 If and when one is required, the Audit Committee shall review the appointment, remuneration, evaluation, retention and dismissal of the chief audit executive.
- 15.4 The Audit Committee shall review the reporting lines of the internal audit function to ensure that the internal auditor is allowed adequate independence.
- 15.5 The Audit Committee shall determine that no management restrictions are being placed

upon the internal audit function.

- 15.6 The Audit Committee shall ensure that the internal audit function is adequately resourced (including qualified personnel, funding and equipment) so as not to impede its ability to execute its responsibilities.
- 15.7 The Audit Committee shall consider the major findings of the internal audit investigations and management's response.

16. Financial risk management

- 16.1 The Audit Committee shall assess the internal processes for determining and managing key financial risk areas.

17. Reliance on information or professional or expert advice

Each member of the Audit 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 Company 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 that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Company in relation to matters within the Director's or officer's authority.

18. Access to advice

- 18.1 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. Such access shall be provided on a timely basis.
- 18.2 Members of the Committee may meet with the auditors, both internal and external, without management being present.
- 18.3 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 Chair. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

19. Report to the Board

- 19.1 The Audit Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- 19.2 The Audit Committee must brief the Board promptly on all urgent and significant matters.