



AUDIT COMMITTEE CHARTER

1. Role and Authority

- 1.1 The Audit Committee (Committee) assists the Board of Directors (Board) to meet its oversight responsibilities in relation to Atlantic Ltd's (Atlantic or Company) financial reporting, legal and regulatory requirements, internal control and risk management systems and internal and external audit functions.
- 1.2 The Committee is authorised by the Board to:
- (a) resolve any disagreements between management and the external auditor regarding Atlantic's financial reporting;
 - (b) seek any information it requires from any employee of Atlantic and the external auditor in order to perform its duties;
 - (c) obtain, at Atlantic's expense, outside legal or other professional advice on any matters within its Charter;
 - (d) call any member of staff to be questioned at a meeting of the Committee as and when required; and
 - (e) approve accounting principles and procedures and auditing methodology. Issues of material importance will be referred to the full Board with the Committee's recommendation.

2. Purpose

- 2.1 The Committee is established by the Board to assist it by reviewing:
- (a) Atlantic's financial reporting principles and policies, controls and procedures;
 - (b) the effectiveness of Atlantic's internal control systems; and
 - (c) the integrity of Atlantic's financial statements and the independent audit thereof, and Atlantic's compliance with legal and regulatory requirements in relation thereto.
- 2.2 The Committee is also responsible for considering and making recommendations to the Board on the following:
- (a) the appointment, annual evaluation and oversight of the external auditor;



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- (b) annual review of independence, fitness and propriety, and qualifications of the external auditor;
- (c) compensation of the external auditor; and
- (d) where deemed appropriate, replacement of the external auditor.

3. Powers and Functions of Respective Parties

- 3.1 The function of the Committee is oversight. The members of the Committee are not full time employees of the Company and generally do not represent themselves to be experts in the field of accounting or auditing, except in relation to the “financial expert” as described under the section headed “Composition” below. It is not the responsibility of the Committee personally to conduct accounting or auditing reviews or procedures.
- 3.2 Management is responsible for the preparation, presentation and integrity of Atlantic’s financial statements. Management is responsible for implementing and maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations.
- 3.3 The external auditors are responsible for planning and carrying out each audit and review, in accordance with applicable auditing standards. The external auditor is accountable to shareholders through the Committee.
- 3.4 The Committee has unrestricted access to internal functions and to the external auditors in order to fulfil its purpose and undertake its duties.

4. Duties of the Committee

- 4.1 The Committee will provide oversight, review, and where appropriate, make recommendations to the Board on the following matters.
- 4.2 With respect to the external auditor:
 - (a) the selection, evaluation and replacement of the external auditor;
 - (b) the annual audit engagement letter;
 - (c) the annual audit plan (including where appropriate, fees charged for audit and review services);



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- (d) the determination of categories of non-audit services that may be provided by the external auditor;
 - (e) non-audit services that may be undertaken by the external auditor;
 - (f) disclosure to shareholders of non-audit services provided by the external auditor;
 - (g) audit reports prepared and issued by the external auditor on the Company's financial statements and activities and monitor that issues are being managed and rectified in an appropriate and timely manner;
 - (h) reports prepared by the external auditor on critical accounting policies, all alternative treatments of financial information permitted under Accounting Standards, and all other written communication between the external auditor and management;
 - (i) resolution of any disagreements between the external auditor and management regarding the Company's financial reporting;
 - (j) discussion with the external auditor of any relationship that may impact their objectivity and independence;
 - (k) ensure that the external auditor prepares and delivers an annual and half yearly statement as to their independence which includes details of all relationships with the Company;
 - (l) annually review the effectiveness of the external auditor; and
 - (m) annually review the independence, fitness and propriety, and qualifications of the external auditor including rotation of lead audit partner, and hiring policies of employees and former employees of the external auditor.
- 4.3 With respect to financial reporting:
- (a) receive from management and the external auditor a timely analysis of significant financial reporting issues and practices and review such analyses;
 - (b) discuss the audited (half year: reviewed) financial statements, and related regulatory filings, earnings press releases, other financial information being made public, any significant matters arising from the external audit, management judgements and accounting estimates, and significant changes to the Company's auditing and accounting principles, policies, controls, procedures and practices with



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management and the external auditor, and recommend for approval any such matters as necessary;

- (c) discuss the critical accounting policies and any proposed changes to such policies with the external auditor and management;
- (d) review the certifications provided by the Managing Director (or the person fulfilling that role) and Chief Financial Officer (“CFO”) on annual and half yearly financial reports pursuant to the requirements of the Corporations Act, and review the processes that were used to reach the opinion provided in the certifications;
- (e) ensure the financial statements include disclosure covering corporate governance issues in accordance with the requirements of regulators;
- (f) review the form of opinion that the external auditor proposes to render; and
- (g) review the effectiveness of management’s processes for managing financial reporting fraud risk.

4.4 With respect to handling accounting and other complaints:

- (a) review the effectiveness of management’s processes for informing employees of the existence of Atlantic’s Code of Conduct;
- (b) ensure procedures for the receipt, retention and treatment of complaints regarding accounting, internal auditing controls or auditing matters are established and maintained;
- (c) ensure employees can make confidential, anonymous submissions regarding questionable accounting or auditing matters; and
- (d) ensure procedures are in place to prohibit the Company from firing, demoting or otherwise discriminating against any employee who lawfully provides information to a regulatory body or other nominated party regarding any information about Atlantic that the employee reasonably believes may be relevant to a securities fraud, investigation or proceeding.

4.5 With respect to corporate governance:

- (a) develop and promulgate rules on the employment by Atlantic of members of the external audit firm and other rules as necessary to maintain the independence of the audit function;



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- (b) evaluate the need for an internal audit function; and
 - (c) ensure that Atlantic has adopted a Code of Conduct that is applicable to the CFO and other senior financial officers.
- 4.6 With respect to the Atlantic's risk policies – discuss and review the Group's policies with respect to risk assessment and risk management to the extent necessary to fulfill the Committee's purpose and duties.
- 4.7 With respect to regulatory authorities, such as ASX or ASIC – be available to meet with representatives of the authorities on request.
- 4.8 With respect to Board and Committee evaluations - participate in an annual review of the Committee's performance and effectiveness.
- 5. **Composition**
 - 5.1 The Committee will comprise at least two members of the Board of any of the companies within the group and shall be independent non-executive directors.
 - 5.2 The Board shall appoint one of the members of the Committee as Chairman.
 - 5.3 The Chairman of the Committee will be an independent non-executive director, and shall not be a Chairman of any of the companies within the group.
 - 5.4 Each member of the Committee must be appropriately financially literate.
 - 5.5 At least one member of the Committee will be a "financial expert". A financial expert is a person who, as a result of education and experience as a public accountant or auditor or as the principal financial officer, controller or principal accounting officer of a company, has an understanding of financial statements of companies comparable to Atlantic, in the application of Accounting Standards to accounting for estimates, accruals and reserves, in internal accounting controls and in the functioning of audit committees.
- 6. **Meetings**
 - 6.1 The Committee will meet at least two times annually, and more frequently as it deems necessary.
 - 6.2 Representatives of management and of the external auditor will be invited to attend part or all of any meeting of the Committee. The Committee may request certain parties to



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withdraw from any part of the meeting, and may request any officer or employee of the Company or the external auditor to attend a meeting.

- 6.3 The Committee will meet regularly with the external auditor, in the absence of management. The Committee Chairman will also meet privately with the external auditor when necessary. Matters discussed will include the external auditor's judgements about the quality of the accounting principles. The Committee will request the external auditor to advise it whether any officer of Atlantic has taken any action to improperly influence, coerce, manipulate or mislead any member of the external audit team for the purpose of rendering the financial statements materially misleading.
- 6.4 The Chairman of the Committee will report to the next meeting of the Board on the proceedings of the Committee meeting, bringing forward all Committee recommendations requiring Board approval.
- 6.5 The Secretary will:
- (a) in conjunction with the Chairman of the Committee and the CFO, settle agendas for and arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business;
 - (b) distribute agendas and supporting papers to members of the committee at least seven (7) days in advance of the relevant meeting;
 - (c) keep and distribute minutes of each meeting to Committee members; and
 - (d) circulate copies of the minutes to the remaining Board members upon request.
- 6.6 The quorum for a meeting of the Committee will be a majority of the members and must include at least one independent non-executive director.