

OZFOREX GROUP LIMITED (the COMPANY)

AUDIT COMMITTEE CHARTER

Purpose of Charter

1. The Audit Committee Charter (the **Charter**) governs the operations of the Audit Committee. It sets out the Audit Committee's role and responsibilities, composition, structure and membership requirements. The Audit Committee has been established to assist the board of the Company (**Board**) in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the internal and external audit process.
2. The Audit Committee shall review and reassess the charter at least annually and, on each occasion, shall obtain the approval of the Board to the form of the Charter.

Membership

3. The Audit Committee shall be members of, and appointed by, the Board. It shall be of sufficient size, independence and technical expertise to discharge its mandate effectively. The Audit Committee shall consist of:
 - at least three members;
 - only non-executive directors;
 - a majority of independent¹ directors; and
 - an independent¹ chairperson, who shall be nominated by the Board from time to time but who shall not be the chairperson of the Board.
4. Current members are: Grant Murdoch (Chairperson), Peter Warne and Melinda Conrad.
5. All Audit Committee members shall be financially literate (ie are able to read and understand financial statements). At least one member shall have accounting and/or related financial management expertise (ie is a qualified accountant or other financial professional with experience of financial and accounting matters) and some members shall have an understanding of the industries in which the Company operates.
6. Members will be appointed for a fixed period of no more than 2 years, with Audit Committee members generally being eligible for re-appointment for so long as they remain independent directors of the Board. The terms of appointment are: members may resign upon reasonable notice in writing to the Audit Committee Chairperson. A member may from time to time be immediately removed by notice in writing under the hand of the Audit Committee Chairperson. The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Audit Committee.
7. The secretary of the Audit Committee shall be Melinda Conrad or such other person as nominated by the Board.

¹ Independent, as defined by the ASX Corporate Governance Council. See schedule to this Charter.

Meetings

8. The Audit Committee shall meet often enough to undertake its role effectively, being at least four times each year.
9. The purpose of Audit Committee meetings shall be to:
 - review and approve internal audit and external audit plans;
 - update the internal and external audit plans;
 - review and approve financial reports; and
 - review the effectiveness of the compliance function in general.
10. The Audit Committee shall meet in private session at least annually to assess management's effectiveness.
11. A quorum for any meeting will be 2 members.
12. Special meetings may be convened as required. The Chairperson will call a meeting of the Audit Committee if requested to do so by any member of the Audit Committee, by the external auditors or by the chairperson of the Board.
13. The Audit Committee may invite such other persons (eg staff, CEO, CFO, external parties) to its meetings, as it deems necessary (whether on a permanent or ad hoc basis).
14. The proceedings of all meetings will be minuted and these will be included in the papers for the next Board meeting after each Audit Committee meeting.

Authority

15. The Board authorises the Audit Committee, within the scope of its responsibilities, to:
 - investigate any matter brought to its attention with full access to all books, records and facilities;
 - seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Audit Committee) or external parties;
 - obtain outside accounting, legal, compliance, risk management or other professional advice as it determines necessary to carry out its duties; and
 - ensure the attendance of Company officers at meetings as it thinks appropriate.

Duties and Responsibilities

16. **Understanding the Company's Business**
 - The Audit Committee shall ensure it understands the Company's structure, business and controls to ensure that it can adequately assess the significant risks faced by the Company.
17. **Financial Reporting**
 - The Audit Committee's primary responsibility is to oversee the Company's financial reporting process on behalf of the Board and to report the results of its activities to the Board. The Audit Committee shall:

- review the Company's financial statements to determine whether they are accurate and complete and make any necessary recommendations to the Board;
- review significant accounting policies adopted by the Company to ensure compliance with AIFRS and generally accepted accounting principles;
- consider financial matters relevant to half yearly reporting in a timely manner; and
- review other financial information distributed externally as required.

18. Reporting to the Board

- The Audit Committee shall regularly report to the Board on all matters relevant to the Audit Committee's role and responsibilities.
- The Chairperson will report and as appropriate make recommendations to the Board after each meeting of the Audit Committee on matters dealt with by the Audit Committee.
- As and when appropriate, the Audit Committee will seek direction and guidance from the Board on audit, risk management and compliance matters.
- The Audit Committee shall ensure that the Board is made aware of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon the Company in a timely manner.

19. Assessment of accounting, financial and internal controls

- Periodically, the Audit Committee shall meet separately with management, the internal auditors, and the external auditors to discuss:
 - the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs; and
 - issues and concerns warranting Audit Committee attention, including but not limited to their assessments of the effectiveness of internal controls and the process for improvement.
- The Audit Committee shall provide sufficient opportunity for the internal auditors and the external auditors to meet privately with the members of the Audit Committee. The Audit Committee shall review with the external auditor any audit problems or difficulties and management's response.
- The Audit Committee shall receive regular reports from the external auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

20. Appointment of external auditors and scope of external audit

- The Audit Committee shall make recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness and independence of the external auditors and resolution of disagreements between management and the auditor regarding financial reporting.

- The Audit Committee shall discuss with the external auditors the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures.

21. **Pre-approval of audit and non-audit services provided by external auditors**

- The Audit Committee shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors 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 Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

22. **Assessment of the external audit**

- The Audit Committee, at least on an annual basis, shall obtain and review a report by the external auditors describing (or meet, discuss and document the following with them):
 - 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; and
 - all relationships between the external auditor and the Company (to assess the auditor's independence).
- The Audit Committee shall set clear hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgement or independence in respect of the Company.
- The Audit 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.
- The Audit Committee shall draft an annual statement for inclusion in the Company's annual report as to whether the Audit Committee is satisfied the provision of non-audit services is compatible with external auditor independence.

23. **Assessment of the internal audit**

- The Audit Committee shall review the internal auditor's charter and resources to ensure no unjustified restrictions or limitations are imposed upon internal audit staff and that resourcing is adequate.
- The Audit Committee shall discuss the scope of the internal audit with the internal auditor, including the internal audit plan, work program and quality control procedures.

24. **Compliance with Laws and Regulations**

- The Audit Committee shall gain an understanding of the current areas of greatest compliance risk (financial and non-financial) and review these areas on a regular basis.
- The Audit Committee shall obtain regular updates from management, the Company's legal counsel, auditors and any external parties as it thinks fit regarding audit, risk management and compliance matters. It shall regularly review existing compliance systems and consider any deficiencies in compliance risk measures.
- The Audit Committee shall review any legal matters which could significantly impact the Company's compliance and risk management systems, and any significant compliance and reporting issues, including any recent internal regulatory compliance reviews and reports.
- The Audit Committee shall review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with laws and regulations and the results of management's investigations and follow-ups (including disciplinary action) of any fraudulent acts or non-compliance.
- The Audit Committee shall be satisfied that all regulatory compliance matters have been considered in the preparation of the Company's official documents.
- The Audit Committee shall review the findings of any examinations by regulatory agencies and oversee all liaison activities with regulators.

25. **Releases and Complaints**

- The Audit Committee shall review and discuss media releases, ASX announcements and any other information provided to analysts.
- The Audit Committee shall review all representation letters signed by management to ensure that the information provided is complete and appropriate.
- The Audit Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Audit Committee shall review corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duties.

26. **Audit Committee performance**

- The Audit Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.
- The Board will evaluate the performance of the Audit Committee as appropriate.

Schedule

Independence as defined by the ASX Corporate Governance Council in their Corporate Governance Principles and Recommendations (2nd ed)

An independent director is a non-executive director who is not a member of management, and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The corporate governance guidelines provide certain criteria for assessing the independence of directors and outline relationships which may affect independent status. They provide that when determining the independent status of a director the board should consider whether the director:

1. is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
2. is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board;
3. has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
4. is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
5. has a material contractual relationship with the company or another group member other than as a director of the company.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by directors to the board.