



MEO Australia Limited
ABN 43 066 447 952

Level 17
500 Collins Street
Melbourne Victoria 3000 Australia

Tel: (+61 3) 9614 0430
Fax: (+61 3) 9614 0660
Email: admin@meoaustralia.com.au
Website: www.meoaustralia.com.au

MEO AUSTRALIA LIMITED

AUDIT COMMITTEE CHARTER

APPROVED BY THE BOARD – 18 JUNE 2009

Introduction

The purpose of the audit committee is to provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the company's financial reporting, internal control structure, risk management systems, and the internal and external audit functions

The aims of the Charter are to:

- Define the role and responsibilities of the Audit Committee
- Ensure the Audit Committee fulfils an effective function as part of the Board's overall corporate governance objectives.
- Provide a framework for maintaining efficient and appropriate controls in key business processes.
- Establish a regular process for reviewing the activities and terms of reference of the Audit Committee to ensure they remain aligned with best practice and the Board's responsibilities.
- Ensure the Audit Committee retains adequate flexibility in the conduct of its activities to react to changing conditions and circumstances.

Principles

Charter Review

- This Audit Committee Charter is to be reviewed and assessed annually by the full Board of Directors.

Audit Committee Charter

Committee Members

- The Committee should have a minimum membership of two Directors and should be small enough so that all members are active participants.
- All members of the Committee, to the extent possible, should be non-executive directors. All members must be financially literate and, if possible, one member of the Committee should have accounting or related financial management expertise.
- Committee members' terms of appointment should coincide with the terms of appointment of other Board Committees, and should provide for both continuity of membership and the contribution of fresh perspectives.
- Each director and member of the Audit Committee will each year formally acknowledge their familiarity with the current Charter.

Meeting Frequency and Reporting

- The Committee should meet on a regular basis as required, but at least four times a year. Special meetings should be authorised at the request of any Committee member or of the Auditor. The Auditor should have the right to attend all meetings of the Committee.
- The Chairperson and the Managing Director are invited to attend all meetings of the Committee. Other Board members are free to attend meetings at their discretion.
- At any meeting there should be an opportunity to discuss matters separately with management, with the Auditor or with other advisors.
- The full Board should be kept informed of the Committee's activities by a report following each Committee meeting.

General Activities

- The Committee should review all published financial statements prior to approval by the Board. The review should include a discussion with the Auditors of any major transactions, accounting issues, accounting policies adopted and the proposed Audit report.
- The Committee should review any report of management which accompanies published financial statements for consistency of disclosure with the financial statements, before approval by the Board.
- The Committee should regularly review the ongoing solvency of the Company.
- The Committee will review and monitor the propriety of related party transactions.
- The Committee will consider additional matters as requested by the Board.
- The Committee will review and approve the external auditor half year and annual audit fee proposals.

Audit Committee Charter

- The Committee should review the Audit plan of the Auditor, to ascertain the extent to which the planned Audit scope can be relied upon to detect weaknesses in internal control, fraud or other illegal acts. Another duty of the Committee is to review any significant recommendations by the Auditor to strengthen internal controls.
- The Committee should review the results of the Audit, any changes in accounting practices or policies and subsequent effects on the financial statements. In addition, the Committee should review any accruals, provisions or estimates which significantly affect the financial statements as well as other sensitive matters, such as disclosure of related party transactions.

Litigation, Claim & Contingency Issues

- The Committee should review jointly with management, the Auditors and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, which could have a material effect upon the financial position or operating results of the Company, and the manner in which these matters have been disclosed in the financial statements.

Governance and other policy reviews

- The Committee should review the entity's corporate governance practices and seek assurance that the policies and practices are being observed. Until other Committees are established and given responsibility the Audit Committee will monitor compliance with all key Company policies. The Committee should also discuss the proposed contents and format of the corporate governance statement required by the Australian Stock Exchange.
- The Committee should periodically review management's programmes and policies which deal with the adequacy and effectiveness of internal controls over the Company's business processes including financial and information technology processes.
- The Committee should monitor the standard of corporate conduct in transactions with related parties. Committee members should be aware of actual or potential conflicts of interest including transactions which are not at arm's length.

Auditors

- The Auditor is ultimately accountable to the Board of Directors and the Audit Committee, as representatives of the shareholders, and the shareholder representatives have the ultimate authority and responsibility to select, evaluate and where appropriate, replace the Auditor or nominate the Auditor for shareholder approval.
- The Committee should review performance, fees and appointment processes for the Auditor from time to time and report their findings to the Board for consideration.
- If a change in Auditor is proposed, the Committee should inquire about the reasons for such change (including the response of the incumbent Auditor), and the qualifications of the proposed new Auditor, before making its recommendation to the Board of Directors.

Communication of responsibilities

- A summary of the Audit Committee's responsibilities and the actions it has taken to fulfil those responsibilities should be included in the Company's annual report.

Audit Committee Charter