

Neurotech International Limited
ACN 610 205 402

AUDIT COMMITTEE CHARTER

As approved by the Board of Directors on 12 May 2016

Preamble

1. The board of directors (**Board**) of Neurotech International Limited (**Company**) is responsible for overseeing the management of the Company and its subsidiaries, including its control and accountability systems.
2. The Board has established an audit committee as a sub-committee of the Board (**Audit Committee**). The role of the Audit Committee is to assist the Board and make recommendations to the Board in relation to audit and compliance matters.
3. This Audit Committee Charter (**Charter**) outlines various matters concerning the Audit Committee, including the role and responsibilities, composition, structure and membership requirements of the Audit Committee.

Objectives

4. The primary objectives of the Audit Committee are to assist the directors of the Company to discharge their obligations with respect to:
 - (a) the integrity and quality of interim and annual financial reporting and disclosures;
 - (b) identification of key business, financial and regulatory risks;
 - (c) compliance with relevant laws, regulations, standards and codes;
 - (d) the adequacy of the internal control framework; and,
 - (e) the integrity of internal and external audit.

Role and responsibilities

5. The role of the audit committee is to review and make recommendations to the Board in relation to:
 - (a) the adequacy of the Company's corporate reporting processes;
 - (b) whether the Company's financial statements reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company;
 - (c) the appropriateness of the accounting judgements or choices exercised by management in preparing the Company's financial statements;
 - (d) the appointment or removal of the external auditor;
 - (e) the rotation of the audit engagement partner;
 - (f) the scope and adequacy of the external audit;
 - (g) the independence and performance of the external auditor;

- (h) any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor; and
 - (i) if the Company has an internal audit function:
 - (i) the appointment or removal of the head of internal audit;
 - (ii) the scope and adequacy of the internal audit work plan; and
 - (iii) the objectivity and performance of the internal audit function.
6. The Audit Committee may consider any matter concerning the financial affairs of the Company, the internal audit, the external audit, risk management and any other issues referred to it by the Board.
7. The Audit Committee will discharge its objectives and responsibilities (set out above) as follows:

Risk

- (a) Review the adequacy of the risk management processes adopted by management for assessing and managing key business and financial risks.

Compliance

- (b) Review compliance with relevant laws and regulations and determine whether the organisational programmes in place provide reasonable assurance of compliance.
- (c) Review compliance with statutory financial and remuneration reporting requirements.

Reporting

- (d) Review all half yearly, annual and other financial reports distributed externally, with particular emphasis on the integrity and completeness of information and key disclosures.
- (e) Assess whether external reporting is consistent with Audit Committee members' information and knowledge and is adequate for shareholders' needs.
- (f) Assess management processes supporting external reporting.
- (g) When satisfied with the propriety and integrity of the financial reports and disclosures, the Audit Committee will recommend release of the information to the Board.

Internal control

- (h) Monitor the establishment and maintenance of an appropriate internal control framework, including information systems.

Internal audit

- (i) Monitor activities and effectiveness of internal audit, including:
 - (i) approve the engagement terms and conditions of the internal auditor;
 - (ii) approve the internal audit charter;

- (iii) approve the annual internal audit objectives and risk-based work plan;
- (iv) review the internal audit reports and actions taken by management;
- (v) review internal audit's periodic reports on the generally observed compliance with internal control and financial practices, provided in addition to reports on specifically agreed reviews; and
- (vi) oversee the process and review the procedures for the selection, appointment and removal of the internal auditor.

External audit

- (j) Monitor the activities and performance of the external auditor, including:
 - (i) review the annual audit plan of the external auditors, and approve the external audit remuneration;
 - (ii) review with external auditors the outcomes of the annual audits, ensuring that any reported major deficiencies or weaknesses in controls have been identified and that appropriate and timely corrective action is taken by management;
 - (iii) oversee the process, and review the procedures, for the selection, appointment and removal of the external auditor, including rotation of external audit partner; and
 - (iv) assess the performance and independence of the external auditors and consider whether the provision of any non-audit services compromises the independence of the external auditors.

Corporate Code of Conduct

- (k) Ensure that a Corporate Code of Conduct is maintained and that there are processes in place for administering the code. This duty includes the duty to review related party transactions and potential conflicts of interest.

Rights of access

- 8. The Audit Committee has rights of access to management, rights to seek explanations and additional information and access to auditors, internal and external, without management present.
- 9. The Audit Committee has the authority to seek any information it requires from any employee of the Company.
- 10. The external auditor, and any internal auditor if appointed, will have unlimited free access to members of the Audit Committee.

Composition, structure and membership requirements

- 11. Subject to the composition of the Board, the Company will endeavour to create an Audit Committee that:
 - (a) consists only of non-executive directors;
 - (b) consists of a majority of independent directors;
 - (c) has at least 3 members

- (d) is chaired by an independent director, who is not Chairman of the Board; and
- (e) is comprised of directors who between them have the accounting and financial expertise, and a sufficient understanding of the industry in which the Company operates, to be able to discharge the Audit Committee's mandate effectively.

Meetings

- 12. The Audit Committee will hold at least 2 regular meetings each year, with additional meetings called by the chairman of the Audit Committee as required, or if formally requested by any member of the Audit Committee, the chief executive officer or the Company's auditor.
- 13. An annual schedule of Audit Committee meetings and activities will be established.
- 14. After endorsement by the chairman of the Audit Committee, the agenda papers will be distributed to all meeting invitees approximately 5 working days prior to each meeting.
- 15. A quorum of the Audit Committee will comprise any 2 members of the Audit Committee.
- 16. The Company Secretary or other person appointed secretary to any meeting will maintain a formal record of the business of each meeting.
- 17. The chairman of the Audit Committee will report key issues arising and any recommendations of the Audit Committee to the Board following each Audit Committee meeting.

Attendance at meetings by invitation

- 18. The following people may be invited to attend all or part of an Audit Committee meeting:
 - (a) the chief executive officer;
 - (b) the Company's external auditor;
 - (c) any internal auditor appointed by the Company; and
 - (d) any other staff members or external parties as requested by the Audit Committee.

Professional advice

- 19. The Audit Committee is authorised to take such independent professional advice as it considers necessary.

Further information

- 20. The Company will publish the Charter and the composition of the Audit Committee on the Company's website: www.neurotechinternational.com.
- 21. If you have any questions or need further information in relation to this Charter, please contact the Company Secretary.