

## **AUDIT COMMITTEE CHARTER**

### **Constitution**

- established by resolution of the Board of Directors of Hostech Limited.

### **Membership**

- appointed by the Board from among the Directors of the Company
- consist of not less than two members with the majority, if possible, being independent Directors
- refer Schedule 1 for current membership

### **Chairman**

- the Audit Committee shall appoint a Chairman of the Committee.

### **Secretary**

- the Company Secretary shall be the Secretary of the Audit Committee.

### **Quorum**

- shall be two members

### **Meeting Frequency**

- meetings will be held not less than twice a year

### **Expected Outcomes**

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In particular, the Audit Committee has the following duties:

1. provide oversight of and make any board recommendations with regards to, audited annual and half yearly financial statements and any reports which accompany published financial statements.
2. To provide recommendations to the board for external auditors and facilitate and oversee all aspects of the external audit including, but not limited to;
  - a. Fees
  - b. Scope
  - c. Independence
  - d. Management communications

## Attachment 5

3. Enhancing the credibility and objectivity of financial reports whilst aiming for developing best practice guidelines for future reports
4. To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with management and the external auditors.
5. To evaluate the Company's exposure to fraud.

### **Authority**

The Audit Committee is authorised by the Board to investigate any activity within its charter. The Audit Committee will have access to management, employees and auditors (external) and may seek any information it requires to carry out its role effectively.

The Audit Committee is required to make recommendations to the Board on all matters within the Audit Committee's charter.

- to review all Company policies and procedures;
- to consult with the CEO and the senior management team as a group to identify Corporate goals and ensure alignment of objectives and activities to Audit policy;
- to seek any information the Committee requires from any officer or employee so as to be able to make full and complete recommendations to the Board;
- to access external reference sources as required, subject to obtaining prior approval from the Chairman of the Board for any expenditures greater than \$ 10,000.00 per annum.

### **Reporting Procedures**

- The Secretary will circulate the minutes of the meetings of the Audit Committee to all members of the Committee for comment and change before being signed by the Chairman of the Committee and circulated to the Board with the Board papers for the next Board meeting.
- The minutes are tabled at the Board meeting following the Audit Committee meeting along with any recommendations of the Audit Committee.

**Schedule 1 – Audit Committee Members**

Campbell Corfe (chair)

Michael Abela