TRUSCREEN®

Audit Risk Charter

TruScreen Limited

Audit, Finance and Risk Committee Charter

1.0 PURPOSE AND OBJECTIVES

1.1 The Board of Directors (the "**Board**") of TruScreen Limited (the "**Company**") has established a Committee known as the Audit, Finance and Risk Committee (the "**Committee**").

1.2 The primary purpose of the Committee is to assist the Board of the Company in fulfilling its responsibilities relating to the Company's management systems, accounting and reporting, external and internal audit, finance, and risk management activities.

1.3 The principal objectives of the Committee are to:

- Consider as and when in the opinion of the Board, trading and circumstances warrant, the appointment of an internal auditor;
- assist the Board in fulfilling its responsibilities relating to the accounting and reporting practices of the Company;
- review the financial statements of the Company and advise the Board as to their compliance with applicable law;
- serve as an independent and objective party to review the financial information presented by Management for shareholders;
- oversee and appraise the audits conducted by the Company's external and internal auditors;
- recommend and implement a framework to ensure the external auditors retain the appropriate level of independence from the Company;
- give proper consideration to the scope of non-audit work undertaken by the external auditor;
- maintain open lines of communication between the Board, external and internal auditors and Management to exchange views and

- information, as well as confirm their respective authorities and responsibilities; and
- monitor the Company's Risk Management Programme and risk management controls and where appropriate, make recommendations as to policy implementation.

1.5 The Committee in its relationship with the external and internal auditors will be upholding the interests of the Company's shareholders.

2.0 CONSTITUTION

2.1 The Audit, Finance and Risk Committee is a committee of the Board.

2.2 The Committee is authorised by the Board to investigate any activity within its terms of reference as set out in this Charter.

2.3 The Committee has the authority to seek any information it requires from any officer or employee of the Company and from any adviser or consultant to the Company.

2.4 The Committee is authorised by the Board to take such independent professional advice as it considers necessary.

2.3 Notwithstanding the existence of the Committee, the external and internal auditors have direct access to the Committee Chairman and Board if required.

2.4 Unless otherwise directed by the Board, or identified in this Charter, the Committee will have no executive powers in regard to its findings and recommendations.

2.5 The Committee will make recommendations to the Board for its approval.

3.0 MEMBERSHIP

3.1 The Audit, Finance and Risk Committee will be appointed by the Board from amongst the non-executive Directors of the Company and shall consist of not less than two members, one of which will be

an Independent Director, and the CFO. At all times, a majority of members on the Committee must be Independent.

3.2 The Committee Chairman ("the Chairman") will be appointed by the Board.

3.3 The Chairman of the Board shall not be Chairman of the Committee.

3.4 The composition of the Committee will be reviewed annually.

3.5 At least one member of the Committee shall have a relevant accounting or financial background.

3.6 Payment in addition to normal board fees may be made to Committee members within the overall total board fees as approved by the shareholders from time to time.

4.0 MEETINGS

4.1 A quorum of members of the Committee shall be two. If only two members are present, the Chairman shall not have a casting vote.

4.2 The Committee will meet not less than two times a year. In addition, the Committee will hold such additional meetings as the Chairman deems necessary in order to fulfil its duties.

4.3 The CEO for the Company will act as Secretary for the Committee and give reasonable notice of the meetings to all members of the Committee and other Directors of the Board.

4.4 The Secretary of the Committee will be responsible for drafting and circulating Committee agendas and explanatory papers based on advice provided by the Chairman.

4.5 The Secretary will record minutes of the Committee and circulate the minutes to all Directors.

4.6 Directors who are not members of the Committee and employees of the company may only attend meetings at the invitation of the Committee.

4.7 The external and internal auditors will attend meetings as requested by the Chairman. A meeting will be held, at least annually, with the external and internal auditors without management being present.

4.8 An indicative annual work plan will be drafted by the Committee and updated annually.

5.0 REPORTING

5.1 The Secretary will ensure the Committee minutes are distributed with Board agenda papers for the next Board meeting following a meeting of the Committee.

5.2 After each Committee meeting the Chairman shall report the Committee's findings and recommendations to the Board.

5.3 The CEO will be responsible for drawing to the Committee's immediate attention:

- any material matters which relate to the financial condition of the Company;
- any material breakdowns in internal controls;
- any material events of fraud or malpractice;
- any significant legislative non-compliance; and
- any changes in risk profile.

5.4 Any reporting of a matter requiring the Committee's immediate attention as outlined in 5.3 above shall be accompanied with Management's proposed corrective actions.

5.5 The Chairman of the Committee is required to be present at the Annual General Meeting of shareholders.

6.0 RESPONSIBILITIES

6.1 The Committee is responsible for:

- The Audit Functions;
- Auditor Independence;
- Processes and Policy;
- General Compliance;

- The Risk Management Framework; and
- Other General Responsibilities.

6.2 The Committee Functions are:

(a) Recommend the appointment and removal of the external and internal auditors, their fees and terms of engagement;

(b) Monitor and review the annual audit plans, practices and policies of the external and internal auditors;

(c) Evaluate the overall effectiveness of the external and internal auditors through regular meetings;

(d) Determine that no restrictions are being placed upon the external and internal auditors by management;

(e) Review the external and internal auditors comments, recommendations and reports;

(f) Meet privately with the external and internal auditors at least once a year;

(g) Discuss with the Company's external auditors the auditor's judgements about the quality, not not just the acceptability, of the Company's accounting principles as applied in its financial reporting.

(h) Follow protocol to ensure the continued independence of the external audit function, which shall include:

I. annual receipt from the external auditors, of a formal written statement which delineates all relationships between the external

auditor and the Company, as well as confirms the external auditor's compliance with the professional standards and ethical guidelines of the Institute of Chartered Accountants of New Zealand;

II. only recommending the appointment (or re-appointment) of an external auditor, where a reasonable investor, with

III. full knowledge of all relevant facts and circumstances, would consider the external auditor to be capable of exercising objective and impartial judgement on all issues encompassed within the external auditor's engagement; and

IV. ensuring the external auditors rotate their senior audit partner at least every five years, with suitable succession planning to ensure continuity.

6.3 Process and Policy

(a) Evaluate and report on the adequacy and effectiveness of the Company's management systems, and accounting policies through active communication with Management and external and internal audit;

(b) Monitor management systems by reviewing written reports from the external and internal auditors, and monitoring management's responses and actions to correct any noted deficiencies;

(c) Review compliance with internal controls;

(d) Review all significant accounting policy changes and recommend approval to the Board;

(e) Review the half yearly and annual financial statements and reports and recommend approval to the Board;

(f) Review and approve compliance of the half yearly and annual reports with applicable laws; and

(g) Review financial information prior to its release to the public and media.

6.4 General Compliance

(a) Monitor ethical considerations and standard of corporate conduct in areas such as arms-length dealings with likely conflicts of interest;

(b) Check for statutory compliance, procedures and controls;

(c) Receive reports considering significant regulatory issues and recommend action to the Board;

(d) Evaluate the adequacy and effectiveness of the Company's business continuity plans;

(e) Review the process of assessing the risk of fraudulent financial reporting;

(f) In conjunction with Management, review the adequacy of insurance at each insurance renewal round and recommend to the Board any significant changes in the insurance cover;

(g) Evaluate management's procedures for monitoring compliance with the Company's charters and policies.

6.5 Risk Management

(a) Ensure that the Company maintains an up to date risk register;

(b) Obtain from Management a report of changes to significant business risks (e.g. new or emerging risks, changes in risk assessments, etc);

(c) Review and approve, on an annual basis, the Company's Risk Management Program; and

(d) Evaluate the effectiveness of the Company's risk management policies, practices and procedures.

6.6 Other General Responsibilities

(a) Establish a clear line of communication between the Committee and the CEO, the Manager responsible for the Company's accounting and operational functions, the Risk Manager and the external and internal auditors;

(b) Review and update this Charter annually and submit to the Board for endorsement;

(c) Report Committee actions to the Board with such recommendations as the Committee may deem appropriate;

(d) Prepare a statement for inclusion in the annual report that describes the Committee's composition and responsibilities and how they were discharged;

(e) The Committee has the authority to conduct or authorise investigations into any matters within the committee's scope of responsibility. The committee has the ability to retain

(f) independent counsel, accountants, or others to assist it in

the conduct of any investigation.

(g) The committee will perform such other functions as assigned by law, NZX Listing Rules or the Board of Directors.

7.0 Attendance at Meetings

Except by agreement or as a result of sudden illness of a member or their immediate family, members are expected to attend all scheduled Committee meetings (either in person or via teleconference) and other activities deemed by the Chairman to be official business of the Committee. Requests for absence from meetings shall be approved by the Chairman of the meeting and requests for extended leave of absence from meetings are to be in writing and approved by the Board.

8.0 Review of Charter

This Charter and the Committee's performance as against the Charter, will be reviewed annually by the Board.