

## Audit Committee Charter

This charter governs the procedures of the Audit Committee (**Committee**) for LaserBond Limited (**Company**) and outlines the procedures and guidelines in relation to financial reporting integrity and external auditor's independence and competence.

### 1. Function

The functions of the Committee are to review and make recommendations to the Board in respect of:

- a. The adequacy of accounting control systems, and application of administrative, operating and accounting policies.
- b. The financial statements complying with appropriate accounting standards and presenting a true and fair view of the financial position and performance.
- c. The appropriateness of accounting judgments or choices exercised in preparing the financial statements.
- d. The review and approval of half-yearly and annual financial reports before release to the market.
- e. The appointment or removal of the external auditor.
- f. The rotation of the audit engagement partner.
- g. The scope and adequacy of the external audit.
- h. The independence and performance of the external auditor.
- i. The approval of the payment of external auditor's fees.
- j. Proposals for the external auditor to provide non-audit services, and ensuring no compromise of their independence.

### 2. Composition

ASX Corporate Governance Principles Recommendation 4.1 advises the Company should have a remuneration committee comprising at least three members, all of whom are independent directors and is chaired by an independent director who is not the chair of the Board. The Board has considered the recommendation, and due to the Company's size and structure the Remuneration Committee will consist of two independent directors, of which one will act as Chair of the committee.

If a member of the Committee retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint the successor.

The Committee may invite any executive management team member or any other individual to attend a meeting of the Committee, as they consider appropriate. Any invitation to attend a meeting of the Committee is subject to the invitee not having a material personal interest in the matter being considered.

The Committee may consult with other persons or seek any information it considers necessary to fulfil its responsibilities.

The Chair of the Remuneration Committee is the secretary of the Committee.

### 3. Meetings

The Committee will meet as frequently as required in order to fulfil its role. Any Committee member may call a Committee meeting. The external auditor may request a meeting of the Committee if they consider it necessary.

A notice and agenda of each meeting, including relevant supporting papers, must be forwarded to each member of the Committee a reasonable time before the date of the meeting.

The Committee chair, or delegate, will report to the Board following each meeting. The Committee will prepare for approval by the Board any report that may be required by any listing rule, legislation, regulatory body or other regulatory requirement or proposed for inclusion in the annual report.

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary and will be distributed to all Committee members. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

A quorum is at least two Committee members. Due to the fact the Committee only consists of two members each member must be present and will have one vote. If the Committee members cannot vote in agreement on a topic on the agenda the matter must be presented to the Board for discussion (ensuring no conflict of interest exists with other Board members).

#### **4. Review**

The Committee will conduct reviews of the Charter at least annually to ensure that the Charter continues to reflect the current processes and guidance utilised when assessing the appropriateness of financial performance and position, and the external auditor's performance. The Board will need to approve any amendments to the Charter that stem from the review.

