

1. OVERVIEW – PURPOSE

The Audit & Risk Committee (**the Committee**) is established by the Board of Directors of Wealth Defender Equities Limited (**the Company**).

The Board and Committee note that at the time of approval the Company currently does not have any employees and so any reference to employees (including senior management) in this charter are subject to appointment of any such employees.

To the extent practicable, the Company endorses and seeks to follow the Australian Securities Exchange (**ASX**) Corporate Governance Council's *Corporate Governance Principles and Recommendations* (**ASX Principles & Recommendations**).

The purpose of the Committee is to:

- assist the Board in relation to review and monitoring of:
 - a. Keeping and reporting of financial information in accordance with Company policy and the law;
 - b. The application of the Company's accounting policies;
 - c. The Company's internal control systems;
 - d. Compliance with applicable laws and policies;
 - e. Assessment and control of business risks, including insurance;
 - f. Compliance with the ASX Listing Rules and corporate governance processes; and
 - g. Assessment and control of economic, environmental and social sustainability risks;
- provide a communication forum between the Board, internal and external auditors and senior management in relation to the matters set out above; and
- review and monitor internal and external audit functions.

The Committee may also carry out other responsibilities and functions that may be delegated to it by the Board.

2. MEMBERSHIP

The Committee will consist of at least three members, of whom the majority must be non-executive independent directors. The Chairman of the Committee will be nominated by the Board. The Chairman of the Board is not eligible to be the Chairman of the Committee.

3. MEETINGS

The Committee will meet as required, but must hold a meeting in the two month period prior to the release of the Company's half and full year financial results.

The Committee may invite other persons, including Board members, executives or external advisors to attend meetings, if the Chairman considers it is appropriate. The quorum for a meeting shall be two members, at least one of whom must be an independent director. Each member of the Committee will have one vote, and the Chairman will not have a casting vote.

The Company Secretary will act as Secretary of the Committee and will attend all Committee meetings.

4. REPORTING

The Chairman of the Committee must report the findings and recommendations of the Committee to the next Board meeting, subsequent to each meeting of the Committee. The minutes of all Committee meetings will be circulated to the Board by the Company Secretary.

5. RESPONSIBILITIES

6.1 FINANCIAL REPORTING

In assisting the Board (and without limiting its scope), the Committee will:

- review the financial information presented by management to the Board, the market, security holders and regulators;
- review the adequacy of corporate reporting processes;
- oversee the effectiveness of administrative and accounting controls used by the Company;
- oversee and appraise the quality of the audits conducted by the external auditor; and
- maintain open lines of communication with the external auditor.

Without limiting its scope, the Committee is to review:

- the draft half yearly and annual financial statements of the Company, prior to consideration by the Board, to ensure they represent a true and fair view of the Company's financial position and performance and have been prepared in accordance with International Financial Reporting Standards; and
- all representation letters to ensure all relevant matters are addressed, including the declarations required by section 295A of the *Corporations Act 2001* (Cth), and the matters set out in Recommendation 4.2 of the ASX Principles & Recommendations.

6.2 EXTERNAL AUDIT

In relation to the external auditor, the Committee should:

- oversee the selection, appointment and re-appointment of the external auditor and the rotation of external audit engagement partners;
- recommend to the Board:
 - a. appointment and removal of the external auditor;
 - b. terms of appointment or re-appointment of the external auditor; and
 - c. level of fees payable to the external auditor;
- at least annually, assess the performance and independence of the external auditor and whether the independence of this function is maintained having regard to the provision of non-audit related services, and provide to the Board the written advice as required by section 300(11D)(a) of the Corporations Act; and

- on an annual basis, obtain and review a report from the external auditor describing:
 - a. the audit firm's internal quality control and conflict procedures;
 - b. any material issues raised by the most recent quality control, or peer review, of the audit firm, and any steps taken to address such issues; and
 - c. all relationships between the external auditor and the Company.

6.3 OTHER

At least annually the Committee will review the adequacy and effectiveness of:

- the process to release the Company's Net Tangible Asset backing announcements to ASX;
- the Company's policies and procedures for assessment, monitoring and management of financial and non-financial business risks;
- any internal compliance and control systems, including accounting and financial controls as appropriate to the Company;
- the Company's insurance coverage;
- procedures and policies instituted to provide reasonable assurance of compliance with relevant laws, regulations and codes of relevance to the Company (excluding those laws, regulations and codes relating to clinical trials and associated activities); and
- management of any economic, environmental and social sustainability risks.

7. ACCESS TO INFORMATION & ADVICE

In carrying out its role and responsibilities, the Committee has access to, and may receive advice from employees, advisors or consultants to the Company, and from the external auditors. The Committee may meet with external auditors, other advisers, employees or any other non-executive Directors without senior management being present.

The Committee may obtain independent legal, accounting or other professional advice for the purposes of carrying out its functions, at the reasonable expense of the Company. Any request for such advice must be approved by the Chairman of the Board, unless a conflict exists or to do so would be inconsistent with the Committee's responsibilities, in which case the advice may be obtained with the approval of the Chair of the Committee.

8. COMMITTEE PERFORMANCE & AVAILABILITY OF CHARTER

To determine whether it is functioning effectively, the Committee shall:

- review this Charter at least every two years; and
- undertake an evaluation of its performance at intervals considered appropriate by the Committee Chairman.

This Charter will be made available on the Company's website.

Date of Board Approval: 4 August 2015