

## **AUDIT COMMITTEE CHARTER**

The Audit Committee (the **Committee**) has been established by the Board of Directors (the **Board**) of Novogen Limited to assist the Board with discharging its responsibilities to safeguard the integrity of the Group's financial reporting and the system of internal control.

### **1. FUNCTION**

- 1.1 The primary function of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:
- a. The quality and integrity of the Company's financial statements, accounting policies, financial reporting and disclosure practices;
  - b. Overseeing, coordinating and appraising the quality of the audits conducted by the internal and external auditors;
  - c. The independence of the external auditor and the rotation of the lead engagement partner; and
  - d. Reviewing the adequacy of the reporting and accounting controls.

### **2. AUTHORITY**

- 2.1 The Committee is authorised by the Board to perform the activities and pass resolutions relating to all its responsibilities set out in this charter.
- 2.2 In performing its functions in accordance with any applicable law, the Committee:
- a. has unrestricted access to the external auditors senior management and employees of the Company;
  - b. has unrestricted access to information and reports relevant to fulfilling its responsibilities;
  - c. has the power to conduct or authorise investigations into any matters within the committee scope of responsibilities or when requested by the Board;
  - d. resolves any disagreements between senior management and external auditors;
  - e. carries out any activities, determinations, decisions or resolutions delegated by the Board to the Committee; and
  - f. engages any external professional advisor as it sees fit to provide independent advice and assist in any review or investigation on such matters, as the Committee deems appropriate.

### **3. MEMBERSHIP**

- 3.1 The Board will appoint the members of the Committee and the Chair of the Committee, which must not be the Chair of the Board.
- 3.2 The Committee will consist of no fewer than three members, three of whom are non-executive directors.
- 3.3 The members of the Committee shall meet the independence and experience requirements of ASX and NASDAQ.
- 3.4 At least one member of the Committee must be a member of the Company's Governance and Risk Management Committee to facilitate the flow of relevant information between the two committees.
- 3.5 The members of the Committee shall serve until their resignation, retirement, or removal.
- 3.6 No member of the Committee shall be removed except by majority vote of the independent Directors of the full Board then in office. The removal of committee members does not take effect until their successors are appointed.

### **4. MEETINGS**

- 4.1 The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than three times per year. A majority of the members of the Committee shall constitute a quorum.
- 4.2 The Committee, or delegated members of the Committee, shall meet with the independent auditor, the senior personnel performing the Company's internal audit function, and management in separate meetings, as often as it deems necessary and appropriate in its judgment.
- 4.3 The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
- 4.4 The Committee may request that any Directors, officers, or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting to provide such information as the Committee requests.
- 4.5 The Committee will fix its own rules of procedure, which shall be consistent with the Constitution of the Company and this Charter.
- 4.6 The Committee may delegate authority to one or more members of the Committee where appropriate, but no such delegation shall be permitted if the authority is required by a law, regulation, or listing standard to be exercised by the Committee as a whole.

- 4.7 Meetings of the Committee may be held face to face or through any technological means by which members can participate in a discussion.
- 4.8 Any matters requiring a decision will be decided by a majority of votes of members present.

## **5. RESPONSIBILITIES**

- 5.1 The responsibilities of the Committee include the following:
- a. the Committee has the responsibility to develop procedures to appoint the Company's independent auditor, subject to, if applicable, shareholder ratification.
  - b. The Committee is directly responsible for the oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor will report directly to the Committee;
  - c. as required by the NASDAQ listing rules, the Committee shall, at least annually, obtain and review a report by the independent auditor describing:
    - (i) the firm's internal quality control procedures;
    - (ii) any material issues raised by:
      - the most recent internal quality-control review (or peer review) of the firm; or
      - any inquiry or investigation by Governmental or professional authorities, within the preceding five years, in respect of any of its partners and or any one or more audits carried out by the firm, and any steps taken by the independent auditor to deal with the issues raised; and
      - all relationships between the independent auditor and the Company;
  - d. the Committee must evaluate the qualifications, performance and independence of the independent auditor (in light of applicable legal or stock exchange independence standards then in effect), including considering whether the auditor's quality controls are adequate. The Committee, after taking into account the opinion of management, has the sole authority and responsibility for the approval of the appointment of the independent auditor to undertake permitted non-audit services and in so doing, evaluates whether such provision is compatible with maintaining the auditor's independence;
  - e. the Committee will discuss with management and the independent auditor the annual audited financial statements and other statutory financial statements including the Company's disclosures under "Management, discussion and analysis of financial condition and results of operations". The Committee recommends to the Board

whether the audited financial statements should be included in the Company's Annual Report and Form 20-F;

- f. the Committee will meet separately, periodically, with the Company's management and with representatives of the independent auditor;
- g. the Committee will review with the independent auditor, audit problems or difficulties encountered by the independent auditor in the course of its annual audit work, and management's response;
- h. the Committee will meet with the independent auditor, and the Company's internal auditor if applicable, prior to the commencement of the annual audit to review the planning and scope of the audit;
- i. the Committee will discuss with the independent auditor the matters required to be discussed by:
  - (i) Statement on Auditing Standards No. 61 as it may be amended, relating to the conduct of the audit; and
  - (ii) Statement of Auditing Standards No 71, as it may be amended ("SAS 71"), relating to the conduct of a review of interim financial information;
- j. the Committee will review with the independent auditor the items as to which the independent auditor is required to report to the Committee pursuant to Section 10A(k) of the Securities and Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder, as in effect from time to time. These include:
  - (i) all critical accounting policies and practices to be used;
  - (ii) all alternative treatments for financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and management;
- k. the Committee will discuss with management and the independent auditor significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, including any significant change in the Company's selection or application of accounting principles, any major issues relating to the adequacy of the Company's internal controls and any steps adopted in the light of material control deficiencies;
- l. the Committee will review with the independent auditor: any management letter provided by the auditor and management response to that letter; and a summary of the major audit reports issued by the internal audit department and management's response thereto;

- m. the Committee will review with the independent auditor, the internal auditor if applicable and management major changes to the Company's accounting principles and practices;
- n. the Committee will review legal matters, including but not limited to actual or threatened litigation, that may have a material impact on the financial statements and any material reports or inquiries received from regulators or governmental agencies;
- o. as required by ASX and NASDAQ the Committee will maintain procedures for the receipt and retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential and anonymous submission by Company employees of concerns regarding accounting and auditing matters;
- p. the Committee will report to the Board regularly on its actions and deliberations;

## **6. LIMITATIONS**

- 6.1 While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

## **7. SECRETARY**

- 7.1 The Company Secretary or its nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- 7.2 The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

## **8. REPORT TO THE BOARD**

- 8.1 The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role.
- 8.2 The Committee is required to brief the Board promptly on all urgent and significant matters.

## **9. REVIEW OF CHARTER**

- 9.1 The Committee and the Board will conduct an annual review of the performance of the Committee including the performance of individual Committee members.

- 9.2 The Committee will review this Charter at least annually and make recommendations to the Board in relation to any proposed changes.
- 9.3 The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.