

2. AUDIT & RISK COMMITTEE CHARTER

Introduction

This is the Charter of the Audit and Risk Committee (“**Committee**”). The Charter governs the procedures for the Committee and outlines the role and duties of the Committee.

Anteo Diagnostics Limited (“**Company**”) aims to have a structure that can independently verify and safeguard the integrity of the company’s financial reporting.

Purpose of Committee

The primary purpose of the Committee is to assist the Board discharge its responsibility in the following areas:

- . Ensuring the Company adopts, maintains and applies appropriate accounting and financial reporting processes and procedures;
- . Facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- . Ensuring the Company maintains effective risk management and internal control systems.

Membership

- . The Committee shall comprise not less than two members;
- . All members shall be Directors who possess requisite qualifications and financial literacy;
- . At least one of the members must not be an Executive Director;
- . At least one member of the Committee shall possess financial expertise (ie is a qualified accountant or other financial professional);
- . The Chief Executive Officer, Chief Financial Officer and other Executives may be invited to attend Committee meetings at the Committee's discretion;
- . The external auditors and other external experts may be invited to attend meetings at the Committee's discretion.

As at the date of this Charter the current members of the Committee are:

- . Dr Geoff Cumming, Chair, Non-Executive Director;
- . Mr Matthew Sanderson, Non-Executive Director; and
- . Dr John (Jack) Hamiltonr, Non-Executive Director.

The details of the qualifications and experience of the current members can be found at <https://anteodx.com/first/key-people/>

The Company has not fully adopted the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (3rd edition) insofar as they relate to the composition and membership of an audit committee. The Company has determined that the above membership structure is adequate to verify and safeguard the integrity of the Company’s financial reporting and to carry out this Charter given the qualifications, experience and financial acumen of the current members.

Chairman

- . The Chairman of the Committee will be an Independent Non-Executive Director;

- . The Chairman of the Committee and the Chairman of the Board shall be different individuals;
- . The Chairman of the Committee is responsible for planning and conducting meetings;
- . The Chairman of the Committee shall report significant findings and recommendations of the Committee to the Board after each Committee meeting.

Secretary

- . The Company Secretary shall be appointed Secretary of the Committee;
- . The Secretary, in conjunction with the Chairman, shall draw up an agenda which shall be circulated to the members of the Committee and the external auditors.

Should circumstances demand or dictate then the structure of the Committee (Membership / Chairman / Secretary) may not conform to that stated above. In these circumstances the Company will ratify its agreement of this structure at a meeting of the Board of Directors and ensure that the market, operated by the Australian Stock Exchange, is informed of the fact and the reasons for the variation.

Meetings

- . Meetings shall be held at least two times a year;
- . The quorum of the meeting shall be a minimum of two members;
- . The minutes of all Committee meetings shall be circulated to members of the Board;
- . The Chairman will call a meeting of the Committee if so requested by any Committee member, the Chief Financial Officer or the external auditors;
- . If a member of the Committee is part of the management team, that member may be asked to leave the meeting whilst matters relating specifically to the management of the Company, accounting systems or results of auditor's reviews are the subject matter of the meeting;
- . The Chief Financial Officer and the external auditors shall be given notice of all meetings and have the right to attend and speak if it is the desire of the Committee.

Authority

- . The Committee shall have the authority to seek any information it requires from any officer or employee of the Company or its controlled entities and such officers or employees shall be instructed by the Board to respond to such enquiries;
- . The Committee is authorised, subject to prior approval by the Chairman, to seek such independent professional advice as it considers necessary to diligently and independently fulfil the Committee's responsibilities, at the Company's expense;
- . The Committee has no executive powers with regards to its findings and recommendations;

Responsibilities

The responsibilities of the Committee shall include, but are not limited to the following:

1. Financial Reporting

- . Reviewing financial statements and other financial information distributed externally;
- . Monitoring the procedures in place to ensure the Company is in compliance with the *Corporations Act 2001* (Cth), ASX Listing Rules and other legislative and reporting requirements;

- . Reviewing related party transactions and considering the adequacy of disclosure of those transactions in the financial statements;
- . Reviewing reports on the Company's superannuation arrangements and compliance with relevant laws and regulations.

2. External Auditors

- . Reviewing the nomination and performance of the external auditors;
- . Liaising with the external auditors and ensuring the annual and half-year statutory audits and reviews are conducted in an effective manner;
- . Approving audit fees;
- . Reviewing matters relating to auditor independence.

The Committee is responsible for the selection and recommendation of the Company's external auditor. The Committee has recommended the external audit service be put to tender on a tri-annual basis. Further that in the event the external auditor is retained post 3 years that the engagement partner be rotated on a 3 year basis.

3. Corporate Governance Compliance

- . Ensuring that a corporate Code of Conduct is established and periodically reviewed;
- . Reviewing policies on sensitive issues or practices such as environmental issues;
- . Reviewing policies to avoid conflicts of interest and reviewing past or proposed transactions between the Company and members of management and Directors;
- . Reviewing the Committee Charter.

4. Risk Management and Internal Control

- . Monitoring risk assessment and the internal controls instituted in line with the Risk Management Policy;
- . Reviewing risk management practices in line with the Risk Management Policy;
- . Monitoring the establishment of an appropriate internal control framework, including information systems and considering enhancements;
- . Reviewing external audit reports and, where major deficiencies or breakdowns in controls or procedures have been identified, monitoring remedial action taken by management to ensure such action is appropriate and prompt;
- . Reviewing reports on any major defalcations, frauds and thefts from the Company;
- . Initiating and supervising special investigations;
- . Reviewing reports on the adequacy of insurance coverage.

Management is to continually report to the audit and risk committee or directly to the board the effectiveness of the Company's management of its material business risks.