

**BOTANIX PHARMACEUTICALS LIMITED ("COMPANY")
AUDIT COMMITTEE CHARTER**

Policy:

It is the policy of the Board of Directors (Board) that the Company have an audit committee whose primary objective is to facilitate the proper execution of the responsibilities of the Board of Directors relating to accounting and reporting practices of the Company.

Composition:

The Committee must comprise at least two members with at least one member having financial expertise.

The chairperson of the committee shall be a non-executive director.

Further, the chief executive officer and chief financial officer must state in writing to the Board that the company's financial reports present a true and fair view of the Company, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

Charter:

The audit committee charter is as follows:

- review and report to the Board on the annual and half year financial reports, the financial section of quarterly reports and all other financial information published by the Company prior to release to members and other public forums;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment covering;
- effectiveness and efficiency of operations;
- reliability of financial reporting;
- compliance with applicable laws and regulations;
- monitoring of corporate risk assessment processes;
- co-ordinate the audit with the external auditor including reviews of internal control measures;
- review and approve any significant non-mandatory accounting policy change;
- review the audit plan with the external auditor;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and the auditor's independence, and consider if appropriate, the rotation of audit partners; and
- review the level of non-audit services provided by the external auditor and ensure it does not adversely impact on auditor independence.

The audit committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The audit committee is to meet independently of the external auditor not less than twice a year and at such additional times as the Committee decides. The Chairman may convene a meeting at any reasonable time.



The audit committee is to meet with the external auditor not less than twice a year and review any significant disagreement between the auditor and management, irrespective of whether the matters have been resolved.

The external auditor has a clear line of direct communication at any time to either the Chairperson of the audit committee or the Chairperson of the Board. Any member of the audit committee is able, and obliged, to bring any matter to the immediate attention of the Board, if that committee member believes the matter has not been dealt with adequately by the committee, or is of significant importance that the Board should be informed directly.