

MAYNE PHARMA GROUP LIMITED

AUDIT & RISK COMMITTEE CHARTER

The Board of Mayne Pharma Group Limited has established an Audit & Risk Committee (the **Committee**). The purpose for which the Committee has been established and the powers of the Committee are set out in this document.

1. Purpose

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company, including internal controls to deal with both the effectiveness and efficiency of significant business processes. Effective internal controls include the safeguarding of assets, the maintenance of proper accounting records, managing and mitigating business risks and the reliability of financial information.

The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the Audit & Risk Committee.

2. Membership of the Committee

Unless otherwise determined by the Board, the Committee comprises a minimum of three members, all of whom shall be independent non-executive directors.

The Chairman must not be the Chairman of the Board. The Board will appoint the Chairman and members of the Committee or remove and replace members of the Committee by resolution.

All persons appointed to the Committee will be financially literate (able to read and understand financial statements) and have sufficient financial knowledge and understanding to allow them to discharge their responsibilities.

3. Meetings

The Committee will meet at least four times each year, or as often as the Committee members deem necessary in order to fulfil their role and objectives set out in this Charter. The Group CFO will act as a secretary for the Committee. Meetings shall be called by the Group CFO as directed by the Chairman of the Committee or at the request of any individual director. The Chief Executive Officer, external audit partner and any other person deemed necessary by the Chairman will attend ordinary meetings by invitation.

The Committee will meet with the external auditors in the absence of management whenever it is deemed appropriate but no less than bi annually. Other non-executive directors who are not Committee members may attend meetings of the Committee. Two members shall form a quorum.

The Chairman of the Committee will report to the Board following each Committee meeting.

4. Responsibilities and functions

The duties and responsibilities of the Audit & Risk Committee include:

- ensuring appropriate accounting policies and procedures are defined, adopted and maintained;
- ensuring that the operating and management reporting procedures, and the system of internal control, are of a sufficiently high standard to provide timely, accurate and relevant information as a sound basis for management of the Company's business;
- reviewing the Financial Statements including ASX reports and the Company's Annual Report for accuracy and to ensure they reflect a true and fair view, prior to their presentation to the Board;
- reviewing the scope of work including approval of strategic and annual audit plans and effectiveness of the external and internal audit (if any) functions within the Company;
- ensuring that appropriate processes are in place to ensure compliance with all legal requirements affecting the Company;
- ensuring that all internal and industry codes of conduct and standards of corporate behaviour are being complied with;
- appointing, on recommendation by the Chief Executive Officer or Group CFO, a person(s) responsible for Internal Audit functions as specified from time to time;
- making recommendations to the Board of Directors on the appointment, reappointment or replacement of the external auditors (subject, if applicable, to shareholder ratification), and monitoring the effectiveness and independence of the external auditors;
- approving and monitoring the Company's risk management strategy;
- review, recommend and approve policies and procedures for managing and mitigating risks across the Company;
- regular review of the Company's Risk Management Framework and Risk Register; and
- actioning any other business processes or functions which may be referred to it by the Board of Directors.

5. Appointment of external auditors

The Audit & Risk Committee is directly responsible for the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting.

The Committee must approve all audit and non-audit services provided by the external auditors and must not engage the external auditors to perform any non-audit/ assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The Committee may delegate approval authority to a member of the Committee. The decisions of any Audit & Risk Committee member to whom approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

When reviewing the auditor's independence, the Committee will require the rotation of the audit partner at least once every five years, in accordance with the Corporations Act 2001.

6. Authority

The Committee shall have the authority to discuss directly with management, and the external auditors (without management present if so decided by the Committee) any issue within its remit. The Committee may also request reports, explanations, and information of any activity, procedure or accounts of the Group. The Committee may seek the advice of the Company's auditors, solicitors or such other



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independent advisers as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

7. Review

The Committee will review the charter and its performance periodically.

