1. *Purpose*

This document defines Genetic Technologies Limited's (GTG or the 'Company') Charter for the Audit & Risk Committee.

The Audit & Risk Committee is appointed and authorised by the Board of Directors of the Company, to assist the Board in fulfilling certain of its statutory, fiduciary and regulatory responsibilities.

In particular, the Committee is to undertake the functions of the Audit & Risk Committee as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

2. *Scope*

This Charter covers the performance of the Audit & Risk Committee and all matters relating to accounting and reporting practices that may:

- Improve the credibility and objectivity of the Company's financial and other reports.
- Strengthen the systems of internal controls, risk management and compliance with applicable laws and regulations.

3. *Responsibilities*

The GTG Board and its Directors has overall responsibility for the evaluation of the Audit & Risk Committee and its members.

The Committee is entitled to receive certain information and to request management to conduct certain investigations and carry out certain projects. On the basis of the information it receives, the Committee makes recommendations to the Board.

4. *References*

GTG shall comply with all applicable laws and regulations in executing under this charter, including:

- Corporations Act 2001
- ASX Corporate Governance Guidelines
- ASX Listing Rules

5. Definitions

ASX:	Australian Securities Exchange
CHA:	Charter
GTG:	Genetic Technologies Limited
Quorum:	No less than two Committee Members
Securities:	Fully paid ordinary shares in the capital of GTG

6. Committee Structure and Composition

6.1. Membership

The Committee shall consist of no less than three (2) Non-Executive Directors. The majority of the Committee must be independent.

Members of the Committee will be determined by the Board and changed at the discretion of the Board.

Independence of members of the Committee will be considered in accordance with the Company's policy on independence of directors.

The Company's Chief Financial Officer shall attend each Audit Committee meeting as requested by its members.

6.2. Chairman

The Committee Chair:

- is appointed by the Board;
- must be independent; and
- must not be the Chair of the Board.

6.3. Expertise

Each member of the Committee must be appropriately financially literate (as such qualification is interpreted by the Board in its business judgment), and accordingly have a working familiarity with basic finance and accounting practices and have an understanding of risk management strategies.

Between them, members of the Committee should have the necessary technical knowledge and a sufficient understanding of the industry in which the entity operates, to be able to discharge the Committee's mandate effectively.

6.4. Committee Secretary

The Company Secretary, or such other person that the Board may nominate, will act as Secretary to the Committee and advise on governance matters.

7. Role

The primary function of the Committee pursuant to this Charter is to assist the Board of Directors in fulfilling its corporate governance and oversight responsibilities by reviewing and making recommendations to the Board in relation to:

- the adequacy and effectiveness of GTG's financial and corporate reporting processes and internal control framework;
- the adequacy and effectiveness of GTG's risk management framework, including the policies and procedures for identifying, assessing, monitoring and managing material business risks encompassing but not limited to credit, market, liquidity and funding, operational and compliance risks;
- whether the GTG's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the entity;
- the appropriateness of the accounting judgements or choices exercised by management in preparing the GTG's financial statements;
- in respect to external audit:
    - the appointment or removal of the external auditor;
    - the fees payable to the auditor for audit and non-audit work;
    - the rotation of the audit engagement partner;
    - the scope and adequacy of the external audit;
    - the independence and performance of the external auditor;
    - any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor'
    - ensure that the Company appropriately discloses the processes undertaken to verify the integrity of any periodic corporate report released to the market that is not audited or reviewed by an external auditor at the date of its release;
- in respect of the work of the internal audit function (or those persons or service providers performing an equivalent function);
    - the appointment or removal of the internal auditor;

- the fees payable to the internal auditor;
- the scope and adequacy of the internal audit work plan; and
- the independence, objectivity and performance of the internal audit function.

The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities in these matters.

8. Responsibilities – External Auditor

***The Committee is responsible for*:**

- Managing, on behalf of the Board, the relationship between the Company and the external auditor including resolving any disagreements between the external auditor and management and, if deemed appropriate, meeting privately with the external auditor.
- Evaluating the expertise and experience of potential auditors and recommending to the Board the party to be proposed to shareholders for approval.
- Recommending to the Board the terms of engagement, remuneration (including the fees charged for audit and review services), and re-tendering parameters for the external audit engagement.
- In accordance with established guidelines, undertaking an annual review and evaluation of the external auditor's independence, objectivity, effectiveness, and performance and the extent of compliance with the agreed annual audit plan.
- Determining categories of non-audit services that may be provided by the external auditor in the context of all consulting services bought by the Company, providing pre-approval or otherwise of all permitted non-audit services and ensuring appropriate disclosure is made to shareholders of all non-audit services provided by the external auditor.
- Reviewing and providing oversight of audit reports prepared and issued by the external auditor on GTG's financial and corporate statements and activities.
- Considering and reviewing reports prepared by the external auditor on critical accounting policies.
- Monitoring and reviewing any restrictions on audit scope, access to management or access to information being placed on the external auditor.
- Monitoring and reviewing arrangements of the external auditor's engagement and review partners.

- Ensuring that the lead auditor attends the Company's Annual General Meeting and participates at such Annual General Meeting as necessary.
- Ensuring the Company has appropriate policies regarding the hiring of external audit firm personnel for senior positions after they have left the audit firm.

9. Responsibilities – Internal Audit (or equivalent) and Internal Controls

***The Committee is responsible for*:**

- The Company's integrated risk management system and internal control environment is subject to an extensive audit regime delivered both internally and via external accreditation agencies and key customers.
- The Committee receives regular briefings from management which provide an overview of:
  - the robustness of the governance, risk management and internal control processes (including Management Information Systems and all Computerised Systems) that management has implemented to identify, assess, monitor and manage risk;
  - the adequacy of computer systems and applications and the contingency plans for processing financial information in the event of a systems breakdown; and
  - the internal audit type activities which are conducted throughout the Company, including details of related audit plans, strategies and breadth of activities.
- The Committee reviews and assesses the above and reports to the Board with the view to:
  - providing an appropriate level of assurance re the efficiency and effectiveness of corporate policies and internal control procedures for identifying, assessing, monitoring and managing material business;
  - ensuring the adequacy of management's response to material internal control improvement recommendations and ensuring that any significant findings and recommendations are received, discussed and acted upon on a timely basis;
  - evaluating and monitoring GTG’s exposure to fraud and corruption and approach to managing conflicts of interests, public interest disclosures and other ethical issues;
  - evaluating whether management is setting the appropriate "control culture" by communicating the importance of internal control and the management of risk so that employees have an understanding of their related risk management roles and responsibilities; and

- identifying any gaps in risk management systems that may be more appropriately met by the introduction of a more formalised internal audit function.

- In the event that an internal auditor is appointed, the function will be performed by a firm other than the external auditor. The Committee's duties with respect to that role (and without limiting its scope) will encompass selection, remuneration, internal audit plan scope determination and assessment, report review, performance evaluation and replacement.

10. Responsibilities – Financial and Corporate Reporting

***The Committee is responsible for*:**

- Receiving from Management, internal audit (or equivalent) and the external auditor a timely analysis of significant financial and corporate reporting issues and practices, including overviews of recent professional and regulatory announcements, and reviewing such analyses and understanding their impact on the Company's financial and corporate statements.
- Evaluating and reviewing the integrity of the Company's financial and corporate reporting process on behalf of the Board and recommending to the Board for approval the draft financial statements and other related information proposed to be released through the Australian Securities Exchange to shareholders and to the financial community in accordance with the half - yearly and annual reporting cycle.
- Reviewing earnings press releases, analyst presentations, disclosure releases to the Australian Securities Exchange and the process by which Management controls the release of such information to those Exchanges.
- Reviewing any significant matters arising from the audit, management judgments and accounting estimates, significant changes to the Company's auditing and accounting principles, controls, procedures, policies and practices with management, internal audit (or equivalent) and the external auditor, paying particular attention to complex and / or unusual transactions such as restructuring charges and derivative disclosures.
- Reviewing significant audit adjustments and audit recommendations that have not been adjusted.
- Reviewing with the external auditor and management the appropriateness of critical accounting policies and practices adopted, and any changes to them.

- Ensuring that the Chief Executive Officer's and the Chief Financial Officer's (or equivalent) respective declarations pursuant to Section 295A of the Corporations Act 2001 are adequate.
- Ensuring the financial statements include disclosure covering governance issues in accordance with the requirements of the regulators.
- Reviewing the form of the opinion that the external auditor proposes to render.

11. Responsibilities – Risk Management

***The Committee is responsible for*:**

- Without limiting its scope, the Committee will ensure management has established and operates a business risk management system which is designed to:
  - identify, assess, monitor and manage material business risk; and
  - inform investors of material changes to GTG's risk profile.
- The Company is exposed to a range of risks categories encompassing:
  - credit risk;
  - market risk;
  - liquidity risk;
  - operational risk, encompassing economic, environmental management, social sustainability, health and safety risks;
  - taxation, compliance and regulatory risk;
  - cyber risk;
  - reputation risk; and
  - other risks (including non-financial risks).
- The Committee's oversight responsibilities with respect to the above business risks encompass, but are not restricted to, the following:
  - reviewing and monitoring the risk management framework at least annually to satisfy itself and the Board that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
  - ensuring there is, and evaluating the effectiveness of, a satisfactory system for monitoring the relevant risk profile, mitigation and management practices; and
  - reviewing whether a sound and effective approach has been followed in establishing GTG's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.

- The Committee shall receive, as appropriate, reports from management (and report to the Board thereon) concerning:
  - risk management strategies, principles and policies, processes and controls relating to business, market, credit, financial instruments, operational, liquidity (including capital structuring and capital raising initiatives) and reputational risk in order to oversee these risks;
  - changes anticipated in the economic and business environment and other factors relevant to future strategy, in order to monitor them in the context of GTG's projected business performance;
  - the risk implications of new and emerging risks, organisational change and major initiatives in order to monitor them; and
  - the resolution of significant and material risk exposures and risk events, in order to monitor them and if necessary, recommend the approval of them to the Board.

12. Responsibilities – Insurance

***The Committee is responsible for*:**

- Reviewing and approving any material new insurances, proposed cancGTGations or variations of existing policies.
- Ensuring systems are in place to promptly advise the Committee of any Company or industry related developments (including incidents or claims) which may materially affect GTG's insurance program.

13. Responsibilities – Whistleblower Protection

***The Committee is responsible for*:**

- Ensuring that there are adequate procedures established for the receipt, retention and treatment of complaints (including "whistleblowing" complaints) received by the Company. This is to include a process for confidential anonymous complaints by employees or other stakeholders.
- Ensuring procedures are in place to prohibit the Company from firing, demoting or otherwise discriminating against any employee who lawfully provides information to a regulatory body or other nominated party about the Company that the employee reasonably believes may be relevant to a securities fraud investigation or proceeding.
- The Chairman of the Committee is a person to whom reports may be made under the Company's Whistleblower Protection Policy.

14. Resources and Access

- The Committee has unrestricted access to GTG Executives, to the external auditor and to the internal auditor (or equivalent).
- The Committee has the right to full access to all books, records and facilities.
- The Committee shall have authority to obtain external professional advice, including taking second opinion on accounting matters, at the company's expense. The purpose and cost of such requests shall be reported to the Board.
- In discharging its oversight role, the Committee may select, retain, terminate and approve the fees and other retention terms of special or independent legal, accounting or other experts and advisors as it deems necessary or appropriate, without seeking the approval of the Board or management.
- Costs of external advisers will be borne by the Company and this (as wGTG as the purpose) is to be reported to the Board.

15. Committee Meetings and Process

Meetings:

- Meetings and proceedings of the Committee are governed by the provisions of GTG's Constitution regulating Meetings and proceedings of the Board and Committees of the Board in so far as they are applicable and, to the extent they are not inconsistent with those provisions of this Charter.
- Committee members may meet independently of management and/or the auditors as they shall decide.

Frequency:

- The Committee shall meet often enough to undertake its role effectively, but not less than four (4) times per calendar year. Special Meetings may be convened as required.
- Any Committee member or Secretary of the Committee may convene a Meeting of the Committee.
- In addition, the Secretary will convene a Meeting of the Committee if requested to do so by the external auditors.

Notice and Minutes

- Meetings shall be conducted formally, with Notice, agendas and supporting papers sent out in advance, and minutes taken by the Secretary of the Committee.
- Minutes shall be distributed to all Committee members and the Board, after preliminary approval has been given by the Committee Chairman.
- Minutes, agenda and supporting papers will be made available to every Director providing no conflict of interest exists.
- Papers shall be maintained at the same standard as those of the full Board.
- The committee shall decide the minimum notice to be given of meetings, and the arrangements for making committee papers available to members in advance of meetings.

Annual Program:

- The Committee shall develop and agree an annual program which will include formal opportunities for the Committee to meet independently with management, the external auditor and the internal auditor (or equivalent).
- The Committee must meet with the external auditor at least once a year without Executive management being present.

Quorum:

- A quorum will comprise of any two (2) independent Non-Executive Directors.
- If the Chair is not present within fifteen minutes after the scheduled time for the commencement of a Meeting, the Committee shall appoint a Committee member as Chair of the Meeting.
- Committee meetings shall not proceed in the absence of a quorum.

Attendance:

- In addition to the members of the Committee, such Executives and /or external parties as the Chairman and members of the Committee think fit may be invited to attend Committee Meetings.
- The Chief Executive Officer and Chief Financial Officer shall normally be invited to attend Committee Meetings but will have no voting rights.
- The Chairman of the GTG Board shall have a standing invitation to attend Committee Meetings and Directors who are not Committee members are also entitled to attend Committee Meetings.

- The external auditors shall have the right to attend meetings of the Audit & Risk Committee.
- Any one or more of the members of the Committee may participate in a meeting of the Committee by means of conference call or similar communication device by means of which all persons participating in the meeting can hear each other.

Reports to the Board:

- The Committee's proceedings shall be recorded in minutes which shall be included in the papers prepared for the board meeting next after each meeting of the Committee.
- The Chairman of the Audit & Risk Committee shall make an oral report on each Committee meeting to the Board as soon as practicable following each Committee meeting.

16. Committee Performance Evaluation

- The Committee will review its performance and composition at least annually to determine whether it is functioning effectively by reference to current best practice.
- The performance evaluation will have regard to the extent to which the Committee has met its responsibilities under this Charter.
- The Committee evaluation will be presented to the Board.

17. Review of Charter

- The Committee will review the contents and the continuing adequacy of this Charter at least every two years and make recommendations to the Board as to any changes it considers should be made.
- The Charter may be amended by resolution of the Board.

18. Disclosure

- The Board will make appropriate disclosure to shareholders in GTG's Annual Financial Report of the key aspects of this Charter, including explaining any departure from the best practice recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations.
- This Charter is publicly available on the Company's website and may be accessed within the "Investor Information" section.

19. Appendices

N/A

END DOCUMENT