

## **NOVOGEN LIMITED**

### **AUDIT COMMITTEE CHARTER**

#### **Purpose**

The Audit Committee (the "Committee") has been appointed by the Board of Novogen Limited (the "Company") to assist the Board in monitoring: (1) the integrity of the financial statements of the Company; (2) the independent auditor's qualifications and independence; (3) the performance of the Company's internal audit function and independent auditor; (4) the processes for the removal and appointment of the independent auditor; (5) the compliance by the Company with legal and regulatory requirements; and (6) policies with respect to risk management and risk assessment.

The Committee is also responsible for preparing an annual report on its activities.

#### **Committee membership**

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence and experience requirements of ASX and NASDAQ.

The members of the Committee will be appointed by the Board. The members of the Committee shall serve until their resignation, retirement, or removal. 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.

#### **Meetings and procedures**

1. The Committee shall meet as often as it may deem necessary and appropriate in its judgment, but in no event less than four times per year. A majority of the members of the Committee shall constitute a quorum.
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.
3. The Chairperson of the Committee or a majority of the members of the Committee may call a special meeting of the Committee.
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.
5. The Committee shall fix its own rules of procedure, which shall be consistent with the Constitution of the Company and this Charter.
6. The Committee shall report to the Board on the matters discussed at each meeting of the Committee, including describing all actions taken by the Committee at the meeting.
7. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Company.

8. 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.
9. The Committee shall have the authority to obtain advice and assistance from internal and external legal, accounting and other advisors, and the Company shall provide appropriate funding for the Committee to retain any such advisors without requiring the Committee to seek Board approval.

#### Committee responsibility and authority.

The responsibility and authority of the Committee shall include the following:

1. The Committee shall have the responsibility to develop procedures to appoint the Company's independent auditor, subject to, if applicable, shareholder ratification. The Committee shall be 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 shall report directly to the Committee. The Committee shall consult with management but shall not delegate these responsibilities;
2. As required by the NASDAQ, the Committee shall, at least annually, obtain and review a report by the independent auditor describing: (a) the firm's internal quality control procedures; (b) any material issues raised by: (i) the most recent internal quality-control review (or peer review) of the firm; or (ii) 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 (c) all relationships between the independent auditor and the Company;

The Committee shall 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 shall, after taking into account the opinion of management, have 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, shall evaluate whether such provision is compatible with maintaining the auditor's independence;

3. The Committee shall 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 shall recommend to the Board whether the audited financial statements should be included in the Company's Annual Report and Form 20-F;
4. The Committee shall generally discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. It is not expected that the Committee will pre-approve each such release or guidance. The Committee Chairperson (or another Committee member acting as Chairperson), as representative of the Committee shall discuss the Company's statutory reporting

requirements and press releases with management and the independent auditor prior to public release;

5. The Committee shall, as appropriate, obtain advice and assistance from outside legal, accounting and other advisors without the need to first obtain the approval of the Board;
6. The Committee shall review the Company's policies with respect to risk management and risk assessment;
7. The Committee shall meet separately, periodically, with the Company's management and with representatives of the independent auditor;
8. The Committee shall review with the independent auditor, audit problems or difficulties encountered by the independent auditor in the course of its annual audit work, and managements response;
9. The Committee shall set a clear Company policy for hiring employees or former employees of the independent auditor;
10. The Committee shall 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;
11. The Committee shall discuss with the independent auditor the matters required to be discussed by: (a) Statement on Auditing Standards No. 61 as it may be amended, relating to the conduct of the audit; and (b) Statement of Auditing Standards No 71, as it may be amended ("SAS 71"), relating to the conduct of a review of interim financial information;
12. The Committee shall 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: (a) all critical accounting policies and practices to be used; (b) 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 (c) other material written communications between the independent auditor and management;

The Committee shall 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;

13. The Committee shall review with the independent auditor: (a) any management letter provided by the auditor and management's response to that letter; and (b) a summary of the major audit reports issued by the internal audit department and management's response thereto;
14. The Committee shall review with the independent auditor, the internal auditor if applicable and management major changes to the Company's accounting principles and practices;

15. The Committee shall review legal matters with the Company's General Counsel, including but not limited to actual or threatened litigation, that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies;
16. The Committee shall obtain from management and review with the Company's patent attorney a report on all the patent and intellectual property rights of the Company as of the year end date, with a view of ensuring the title of all the intellectual property assets are protected and current;
17. As required by ASX and NASDAQ the Committee shall 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;
18. The Committee shall report to the Board regularly on its actions and deliberations;
19. The Committee shall exercise such other powers and authority as the Board shall from time to time confer upon it.

#### Limitation of Committee's role

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.

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