1. *Purpose*

This document defines the Company's Charter for the Audit Committee.

2. *Scope*

This Charter covers the performance of the Audit 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.
- To strengthen the systems of internal controls, risk mangement and compliance with applicable laws and regulations

3. *Responsibilities*

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

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
- NASDAQ Marketplace Rules
- Sarbanes-Oxley Act of 2002

5. *Definitions*

ASX:	Australian Securities Exchange
CHA:	Charter
GTG:	Genetic Technologies Limited
NASDAQ:	National Association of Securities Dealers Automated Quotation
Quorum:	No less than two Committee Members
Securities:	Fully paid ordinary shares in the capital of GTG and associated American Depositary Receipts (ADRs)

6. Charter

The Audit Committee shall consist of **not less** than three independent directors appointed by the Board. All members should be financially literate (able to read and understand financial statements) with at least one member having specific financial expertise. The Board shall appoint one of the members to be Chairman of the Audit Committee who shall chair the meetings of the Committee and set its agendas. The Company's Chief Financial Officer shall attend each audit committee meeting as requested by its members.

- Committe meetings shall not proceed in the absence of a quorum.
- The Board will review Committee Membership annually.

The Committee shall carry out the duties and responsibilities as detailed in this Charter. These functions should serve as a guide with the understanding that the Committee may determine to carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal, or other conditions.

The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in this Charter. These duties are as follows, but not limited to:

- Review of all financial statements to be made on behalf of the Board prior to their consideration by the full Board, and to make recommendations.
- Review of the Company's accounting policies and considering their application in accordance with both Australian Accounting Standards and International Financial Reporting Standards.
- Reviewing the audit plans of the external auditors and to satisfy itself that they are adequate and appropriate.
- Review of the results of the external audit and to satisfy itself that management's response to audit recommendations is adequate.
- Evaluate the independence and the effectiveness of the external auditors.
- Review of the Company's System of internal controls, including Management Information Systems, all Computerised Systems, and to identify any weaknesses that require attention.
- Review of the Company's risk management system and to satisfy itself that all risks have been identified and assessed, and that appropriate policies are in place for the management of risks.

- Monitor and review the implementation of the Company's policies relating to business and risk.
- Review all reports to regulators which require Board approval.
- Monitor the Company's compliance with all applicable laws, regulations, standards and best practice guidelines.
- Recommend to the Board any changes that may be required in the Company's accounting or other policies.
- Recommend any changes that may be required in the external audit arrangements, including the appointment of auditors and the level of fees.
- Perform such other tasks as the board may from time to time delegate to the committee.

6.1. Meetings

6.1.1. The Committee shall hold at least three regular meetings per year and such other meetings as shall be requested by the Chairman of the committee, or another member or auditor. A regular schedule of meetings shall be developed so as to discharge the committees' responsibilities.

6.1.2. The external auditors shall have the right to attend meetings of the audit committee.

6.1.3. Committee members may meet independently of management and/or the auditors as they shall decide.

6.1.4. Meetings shall be conducted formally, with agendas and supporting papers sent out in advance, and minutes taken. 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.

6.1.5. 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.

6.1.6. All non-executive directors who are not members of the Committee may attend meetings of the Committee, but may not vote. In addition, the Committee may invite to its meetings any director, member of management of the Company, and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate.

6.2. Authority and Access

6.2.1. The Committee shall have authority to require the attendance of the external auditors, and such members of management as it needs to fulfil its responsibilities. It shall have authority to require any company documents it requires to discharge its duties.

6.2.2. 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.

6.2.3. The Company Secretary, or an officer determined by the Chairman of the Committee, will act as secretary to the committee.

6.2.4. In discharging its oversight role, the Committee is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority, without seeking Board approval, to retain outside counsel or other advisors for this purpose, including the sole authority to approve the fees payable to such counsel or advisors and any other terms of retention.

6.3. Reporting

6.3.1. 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.

6.3.2. The Chairman of the Audit Committee shall make an oral report on each committee meeting to the Board as soon as practicable following each committee meeting.

7. Appendices

N/A

END DOCUMENT