

## ENFORCEABLE UNDERTAKING

*Australian Securities and Investments Commission Act 2001*

Section 93AA

The commitments in this undertaking are offered to the Australian Securities and Investments Commission (**ASIC**) by:

Graham Bruce Abbott  
Graham Abbott Associates  
Chartered Accountants  
10 Crown Street  
SYDNEY NSW 2011  
(**Abbott**)

### 1. DEFINITIONS

In addition to terms defined elsewhere in this undertaking, the following definitions are used:

**ASIC Act** means the Australian Securities and Investments Commission Act 2001 (Cth); and

**Corporations Act** means the Corporations Act 2001 (Cth).

### 2. BACKGROUND

#### 2.1 ASIC's role

Under section 1 of the ASIC Act, ASIC is charged with a statutory responsibility to perform its functions and to exercise its powers so as to promote the confident and informed participation of investors and consumers in the financial system.

#### 2.2 Details of conduct

ASIC has found that that Mr Abbott showed a lack of understanding of the importance of his obligations as an auditor by breaching section 324DA and section 324DB Corporations Act (rotation requirement). Further ASIC found that that Abbott breached the rotation requirement by playing a significant role in audits of listed companies Central West Gold NL and Morning Star Gold NL each for a number of successive financial years.

#### **ASIC's investigation/ surveillance and analysis**

ASIC conducted a hearing under subsection 1289A(1) Corporations Act attended by Mr Abbott.

### 2.3 ASIC's concerns

ASIC has stated its concern that under section 324DA(1) Corporations Act, if an individual plays a significant role in an audit of a listed company for five (5) successive financial years, the individual is not eligible to continue to play a significant role unless they have not played such a role for at least two (2) successive intervening years. ASIC alleges that an individual breaches of section 324DB Corporations Act if they play a significant role in an audit for a financial year and are not eligible.

### 2.4 Acknowledgement of concerns

Mr Abbott acknowledged ASIC's concerns during the ASIC hearing under subsection 1289A(1) of the Corporations Act.

## 3. UNDERTAKINGS

3.1 Under section 93AA of the ASIC Act, Mr Abbott has offered, and ASIC has agreed to accept as an alternative to ASIC imposing additional conditions on Mr Abbott's registration as an auditor, the following undertakings:

- (a) Abbott shall, within one (1) working day of the acceptance by ASIC of these undertakings and notification of that acceptance to Mr Abbott or his solicitor, file a Form 905, with ASIC advising of his notification of ceasing to practice as an auditor under the Corporations Act. .
- (b) Mr Abbott will provide all documents and information requested by ASIC from time to time for the purpose of assessing Mr Abbott's compliance with the terms of this enforceable undertaking.
- (c) Mr Abbot undertakes to not practice as an auditor for a company or a registered scheme as provided for in Chapter 2M of the Corporations Act.

## 4. ACKNOWLEDGMENTS

4.1 Mr Abbott acknowledges that ASIC:

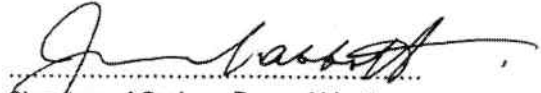
- (a) may issue a media release on execution of this undertaking referring to its terms and to the concerns of ASIC which led to its execution;
- (b) may from time to time publicly refer to this undertaking; and
- (c) will make this undertaking available for public inspection.

4.2 Further, Mr Abbott acknowledges that:

- (a) ASIC's acceptance of this undertaking does not affect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges or seek a pecuniary civil order in relation to any contravention not the subject of the background section of this enforceable undertaking or arising from future conduct;
  - (b) this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking or arising from future conduct.
- 4.3 Mr Abbott acknowledges that ASIC had reason to be concerned as to the alleged facts and has offered an enforceable undertaking in the terms of paragraphs 3.1(a) to 3.1(d) inclusive above.
- 4.4 Mr Abbott acknowledges that this undertaking has no operative force until accepted by ASIC, and Mr Abbott and ASIC acknowledge that the date of the enforceable undertaking is the date on which it is accepted by ASIC.

Dated: 5 APRIL 2012

EXECUTED by GRAHAM BRUCE ABBOTT )  
in the presence of: )

  
Signature of Graham Bruce Abbott

  
Signature of Witness

PETER KEMP  
Name of Witness SOLICITOR SYDNEY

Accepted by the Australian Securities and Investments Commission under section 93AA of the ASIC Act by its duly authorised delegate:



[name] DOUGLAS NIVEN  
SENIOR EXECUTIVE LEADER,  
FINANCIAL REPORTING AND AUDIT