



Audit Committee Charter

Policy document

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[Predictivediscovery.com](https://www.predictivediscovery.com)

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Audit Committee Charter

1. INTRODUCTION

The Audit Committee is a committee of the Board and applies to the Company and any of its subsidiaries. The primary role of the Audit Committee is to satisfy itself that the Company has an adequate control framework for the oversight of the external audit and the internal audit arrangements.

2. RESPONSIBILITIES

The Committee is required to ensure:

- a) Reliable management and financial reporting
 - i) Assess the adequacy of management reporting on the entity's risks, operations, and financial condition to the Board.
 - ii) Scrutinise the Company's accounting policies and practices in the light of the Corporations Act and Australian Accounting Standards.
 - iii) Review the half yearly and annual financial statements of the Company and recommend to the Board the signing of the directors declaration to them.
 - iv) Review and discuss with the external auditor the quality and acceptability of the Company's accounting principles as applied in its financial reporting.
 - v) Supervise the implementation of the Australian Accounting Standards and other changes in regulatory requirements.
- b) Compliance with laws and regulations
 - i) Ensure that the Company's financial statements and reporting complies with the Corporations Act, accounting standards, ASX Listing Rules and other relevant regulatory requirements.
 - ii) Monitor the laws and the regulations that relate generally to the entity's business operations and, review the Company's compliance with such laws.
 - iii) Seek advice of the Company's legal advisers on any legal matters that could have significant impact on the Company's financial statements.
- c) Maintenance of an effective and efficient audit
 - i) Recommend to the Board the appointment of the external auditors.
 - ii) Review the plans of the external auditors, including any significant changes to the plans.
 - iii) Review the efficiency and effectiveness of the external auditors in relation to their responsibilities.
 - iv) Review and discuss with the external auditor professional and other significant relationships to determine their independence.
 - v) Review the external auditor's fees.
 - vi) Ensure there are no unjustified limitations placed on the auditors and review any serious disputes with management during the audits.
 - vii) Ensure the scopes of the audits are adequate, with emphasis on matters where the Committee, management or the auditors believe special attention is necessary.
 - viii) Meet with and assess the findings of the external auditors as well as management's response to their recommendations.
 - ix) Ensure compliance with the ASX principles of good corporate governance related to external auditors.

3. COMPOSITION

- a) The Audit Committee shall comprise only non-executive directors, the majority of whom should be independent. The Chairman of the Board will not be the Chair of the Audit Committee.
- b) The Committee may invite other persons as it deems necessary and may seek advice from such other persons as appropriate.
- c) The Audit Committee should include members who are financially literate and at least one member being the chairperson who has financial expertise (ie is a qualified accountant or other financial professional with experience of financial and accounting matters). The Committee should include members who have an understanding of the mining industry.
- d) The secretary of the Committee should be the Company Secretary or such other person as nominated by the Board.
- e) A quorum for Committee Meetings is two members of the Audit Committee.

4. PROCEDURAL REQUIREMENTS

4.1 Committee procedures

- a) Meetings shall be held at least six monthly or more frequently as required. Additional meetings may be convened as required.
- b) The Committee may meet with the external auditor from time to time, in separate executive sessions to discuss relevant matters.
- c) The proceedings of all meetings will be recorded in minutes to be approved by the Committee. The minutes of the Audit Committee shall be made available at the next full Board meeting of the Company after each Audit Committee meeting.
- d) Regular reports shall be provided to the Board including:
 - i. assessment of the management processes supporting external reporting;
 - ii. procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
 - iii. assessment of the performance and independence of the external auditors and whether the Audit Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
 - iv. the results of its review of internal compliance and control systems;
 - v. assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
 - vi. recommendations for the appointment or removal of an auditor. These were not included in the previous draft of the Charter.
- e) Committee members may not receive directly or indirectly any consulting, advisory or other fee from the Company, other than the remuneration received by a Director on the Committee in his or her capacity as a Director and member of the Committee.

4.2 Authorities

- a) The Board authorises the Committee, within the scope of its responsibilities, to seek any information it requires from any Company employee or contractor.
- b) The Committee may obtain independent professional advice on relevant matters at the expense of the Company.

4.3 Revisions of this Charter

- a) This charter of the Audit Committee must be approved by the Board of the Company.
- b) The Committee is responsible for review of the effectiveness of this charter and the operations of the Audit Committee and to make recommendations to the Board of any amendments.

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