



Resource Generation Limited ACN 059 950 337

Audit Committee Charter

Purpose

The primary purpose of the Audit Committee is to assist the Board to discharge its responsibilities in the following areas:

- Ensuring the Company adopts, maintains and applies appropriate accounting and financial reporting processes and procedures.
- Facilitating the independence of the external audit process and addressing issues arising from the audit process.
- Ensuring the Company maintains effective internal control systems.

Membership

- The Audit Committee shall comprise no less than two directors.
- All of the members shall be independent directors, who possess the requisite financial literacy.
- The Managing Director or CEO, Chief Financial Officer and other executives will be invited to attend meetings at the Committee's discretion.
- The external auditors and other external experts will be invited to attend meetings at the Committee's discretion.

Chairman

- The Chairman of the Audit Committee shall be a non-executive Director and not the Chairman of the Board.
- The Chairman of the Audit Committee shall report significant findings and recommendations to the Board after each Committee meeting.

Meetings

- The Committee shall meet at least twice a year.
- The quorum of the meeting shall be a minimum of two.

Authority

- The Audit Committee is authorised to seek any information it requires from any officer or employee of the Company.

- The Audit Committee is authorised to seek any information it requires from the external auditors without the presence of management.
- The Audit Committee is authorised to take such independent professional advice as it considers necessary.

Responsibilities

The responsibilities of the Audit Committee shall include, but are not limited to:

1. Financial Reporting

- Reviewing financial statements and other financial information distributed externally.
- Considering the appropriateness of the Company's accounting policies and ensuring that they are in accordance with the financial reporting framework.
- Monitoring the procedures in place to ensure the Company is in compliance with the Corporations Law, Securities Exchange Listing Rulings and other legislative and reporting requirements.

2. Internal Control

- Reviewing the internal control environment.
- Reviewing external audit reports and monitoring management's responses to the external auditor's findings.
- Review and concur on the appointment, replacement, reassignment or dismissal of the CFO.

3. External Auditors

- Reviewing the nomination of and recommending the appointment of the external auditor.
- Liaising with the external auditors regarding the scope of the audit and ensuring that the annual and half yearly audits are conducted in an effective manner.
- Approving audit fees.
- Reviewing matters relating to auditor independence.
- Pre-approving any non audit services provided by the auditors.
- Ensuring the rotation of the audit partner every 5 years.

4. Corporate Governance Compliance

- Ensuring that a corporate Code of Conduct is established and periodically reviewed.
- Ensuring that the Company's Corporate Governance practices are in accordance with Securities Exchange regulations.
- Reviewing policies to avoid conflicts of interest and reviewing past or proposed transactions between the Company and members of management and Company Directors.
- Reviewing any related party transactions.
- Reviewing the Audit Committee Charter.

5. Reporting to The Board

- Ensuring that all matters relevant to the Audit Committee's roles and responsibilities are reported to the Board.

Membership

To be determined from time to time by the Board - see website and Annual Report disclosures

Reviewed and approved by the Board: 19 May 2016