



# 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.

### 3. 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.

#### 4. 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

Reviewed and approved by the Board: 19 May 2016