



# **PANORAMIC RESOURCES LIMITED**

ACN 095 792 288

## **AUDIT COMMITTEE CHARTER**

Version Approved: October 2015

# **PANORAMIC RESOURCES LIMITED**

**(“PRL” or “the Company”)**

## **Audit Committee Charter**

### **1. Overall purpose/objectives**

The Audit Committee (“Committee”) is appointed by the Board of directors (“Board”) to assist the Board in discharging its responsibilities. The Committee will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. The Committee will also review: the effectiveness of the internal financial control and Risk Management Framework ; appoint, agree the remuneration of, and assess the performance of the external auditor. As required, the Committee will review and agree the Company’s process for monitoring compliance with laws and regulations affecting financial reporting and, if applicable, its code of business conduct.

In performing its duties the Committee will maintain effective working relationships with the Board, management, and the external Auditor. To perform his or her role effectively, each Committee member will need to develop and maintain his or her financial skills and knowledge, including an understanding of the Committee’s responsibilities and of the Company’s business operations and risks.

### **2. Authority**

The Board authorises the Committee, within the scope of its responsibilities, to:

- 2.1** Perform activities within the scope of its Charter.
- 2.2** Engage independent counsel and other advisers as it deems necessary to carry out its duties.
- 2.3** Ensure the attendance of Company officers at meetings as appropriate.
- 2.4** Have unrestricted access to members of management, employees and relevant information.
- 2.5** Establish procedures for dealing with concerns of employees regarding accounting, taxation, internal control or auditing matters.
- 2.6** Establish procedures for the receipt of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.
- 2.7** Be directly responsible for the appointment, remuneration, retention and oversight of the work of the external auditor.
- 2.8** Approve all audit engagement fees and terms as well as reviewing policies for the provision of non-audit services by the external auditors (and if and when required, the framework for pre-approval of such services).

### **3. Organisation**

#### **Membership**

- 3.1** The Panoramic Board ("Board") will nominate the Panoramic Audit Committee members and the Chairman of the Committee (who is a non-executive independent director and is not the Chairman of the Board).
- 3.2** The Committee will comprise a minimum of two (2) members.
- 3.3** A quorum of any meeting will be two (2) members.
- 3.4** Each member should have the skills and experience appropriate to the Company's business.
- 3.5** Each member shall be financially literate.
- 3.6** Each new Committee member will initially be appointed by the Board for a three (3) year term of office and thereafter reviewed and re-approved annually by the Board.
- 3.7** The Company Secretary will be the Secretary of the Committee, or such other person as nominated by the Board.

#### **Meetings**

- 3.8** The Committee may invite such other persons (eg the Managing Director, CFO, and external audit partner) to its meetings, as it deems necessary.
- 3.9** The external Auditor should be invited to make presentations to the Committee as appropriate.
- 3.10** Meetings shall be held not less than two (2) times a year and should correspond with the Company's financial reporting cycle.
- 3.11** Special meetings may be convened as required. The Secretary will convene a meeting on receipt of a request by the external Auditor.
- 3.12** The Secretary shall circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting.
- 3.13** The Secretary of the Committee shall circulate the minutes of meetings to the members of the Committee, (and the external auditor where appropriate).
- 3.14** As a minimum, the Chairman of the Audit Committee (or another member of the Committee) shall attend the Board meeting at which the financial statements are approved or be a signatory to a circulatory written resolution to approve the financial statements.
- 3.15** Members of the Committee should, if possible, attend every meeting of the Committee.
- 3.16** The Chairman of the Audit Committee will meet, or contact the external auditor (at least once a year) without management being present.

## **4. Roles and Responsibilities**

The Audit Committee will:

### **Internal controls**

- 4.1** Evaluate whether management is setting the appropriate 'control culture' by communicating the importance of internal controls and risk management.
- 4.2** Understand the internal controls systems implemented by management for the approval of transactions and the recording and processing of financial data.
- 4.3** Understand the controls and processes implemented by the management to ensure that the financial statements derived from the underlying financial systems, comply with relevant standards and are subject to appropriate management review.
- 4.4** Evaluate the overall effectiveness of internal controls and the Risk Management Framework and consider whether recommendations made by the external Auditor have been implemented by management.
- 4.5** Consider how management is responsible for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown or to protect against computer fraud or misuse.

### **Financial reporting**

- 4.6** Gain an understanding of the current areas of significant financial and taxation risk and how these are being managed.
- 4.7** Review significant accounting, taxation and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports.
- 4.8** Oversee the periodic financial reporting process implemented by management and review the interim financial statements, annual financial statements and preliminary announcements prior to their release.
- 4.9** Meet with management and the external Auditor to review the financial statements, the key accounting and taxation policies and judgements, and the results of the audit.
- 4.10** Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the external auditor.
- 4.11** Review the other sections of the Company's Annual Report before its release and consider whether the information is understandable and consistent with members' knowledge about the Company and its operations and lacks bias.

## **Compliance with laws and regulations**

- 4.12** Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- 4.13** Obtain regular updates from management and the external Auditor regarding compliance matters that may have a material impact on the Company's financial statements or compliance policies.
- 4.14** Be satisfied that all regulatory compliance matters, related to the business of the Company, have been considered in the preparation of the financial statements.
- 4.15** Review the findings of any examinations by regulatory agencies.

## **Working with auditors**

### ***External audit***

- 4.16** Review the professional qualification of the external Auditor (including background and experience of the audit partner).
- 4.17** Consider the independence of the external auditor and any potential conflicts of interest.
- 4.18** Review on an annual basis, the performance of the external Auditor and make recommendations to the full Board for the appointment, reappointment or termination of the appointment of the external Auditor.
- 4.19** Review the external Auditors' proposed audit scope and approach for the current year in the light of the company's present circumstances and changes in regulatory and other requirements.
- 4.20** Discuss with the external Auditor any audit problems encountered in the normal course of audit work, including any restriction on audit problems encountered in the normal course of audit, including any restriction of audit scope or access to information.
- 4.21** Ensure that significant findings and recommendations made by the external Auditor and management's proposed response are received, discussed and appropriately acted on.
- 4.22** Discuss with the external Auditor the appropriateness of the accounting and taxation policies applied in the company's financial reports and whether they are considered as aggressive, balanced or conservative.
- 4.23** Meet separately with the external Auditor to discuss any matters that the Committee or auditor believe should be discussed privately. Ensure the external Auditor's representatives have access to the Chairman of the Audit Committee when required.
- 4.24** Review policies for the provision of non-audit services by the external Auditor (and where applicable the framework for pre-approval of audit and non-audit services).
- 4.25** Ensure the Company has appropriate policies regarding the hiring of audit firm personnel for senior positions after they have left the audit firm.

### ***Internal audit***

- 4.26** Ensure there are adequate resources, systems and organisational structure in place to compensate for not having a separate internal audit function within the Company.
- 4.27** Review the effectiveness of controls in the absence of a separate internal audit function and ensure that the controls are understood and have an appropriate standing within the Company.
- 4.28** Review any proposed changes to controls for the next financial year to ensure that the changes address key areas of financial and taxation risk and that there is appropriate understanding and co-ordination with the external Auditor.

### ***Reporting responsibilities***

- 4.29** Regularly update the Board about Committee activities and make appropriate recommendations.
- 4.30** Ensure the Board is aware of matters that may significantly impact on the financial and taxation condition or affairs of the business.
- 4.31** Prepare any reports required by law, or the ASX Listing Rules, or as requested by the Board, for example a report on the Committee's activities and duties to be included in the Corporate Governance Statement in the annual Directors' Report.

### ***Evaluating performance***

- 4.32** Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
- 4.33** Assess the achievement of the duties specified in the Charter and report the findings to the Board.

### ***Review of the Audit Committee Charter ("Charter")***

- 4.34** Unless required earlier under statutory legislation, the review of the Charter will occur bi-annually and any required changes proposed and discussed with the Board.
- 4.35** Ensure that the Charter is recommended for approval or re-approval by the Board.