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# **Audit and Governance Committee Charter**

Panoramic Resources Ltd (ABN 47 095 792 288)

Adopted by the Board on 29 June 2020

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# Panoramic Resources Ltd – Audit and Governance Committee Charter

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## 1 Applicability

This Audit and Governance Committee Charter applies to all members of the Audit and Governance Committee established by the board of directors (“Board”) of Panoramic Resources Ltd (“the Company”).

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## 2 Role and objectives

The role of the Audit and Governance Committee is to assist the Board to meet its oversight responsibilities in relation to the Company’s corporate reporting.

The objectives of the Audit and Governance Committee include:

- (a) assisting the Board in the governance of the Company, and the exercising of due care, skill and diligence in relation to:
  - (i) reporting of financial information to users of the Company’s financial reports;
  - (ii) application of accounting policies;
  - (iii) financial management;
  - (iv) the Company’s internal control system;
  - (v) financial business policies and practices; and
  - (vi) compliance with all applicable laws, regulation, standards and best practice guidelines.
- (b) improving the credibility and objectivity of financial reporting;
- (c) overseeing the effectiveness of the external audit function; and
- (d) ensuring the independence of the external auditor.

Ultimate responsibility for the Company’s financial statements rests with the Board.

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## 3 Composition

The Audit and Governance Committee will be structured so that it has at least three members. The Chair of the Audit and Governance Committee must be an independent director.

All members of the Audit and Governance Committee must be financially literate (that is, be able to read and understand financial statements); at least one member must have relevant qualifications and experience (that is, should be a qualified accountant or other finance professional with experience of financial and accounting matters); and all members should have an understanding of the industry in which the Company operates and the appropriate governance structure relevant to its activities and listed status.

From time to time, non-Audit and Governance Committee members may be invited to attend Audit and Governance Committee meetings, if it is considered appropriate.

The Board will review the composition of the Audit and Governance Committee annually to ensure it comprises the appropriate balance of skills, knowledge and experience to be able to discharge the committee’s mandate effectively.

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## 4 Responsibilities

The Audit and Governance Committee has the following responsibilities:

### 4.1 Corporate reporting

- (a) Review the half-year and annual financial statements presented by management, together with reports and opinions from the external auditor and confirm they reflect the understanding of the Audit and Governance Committee members, and otherwise provide a true and fair view of, the financial position and performance of the Company.
- (b) Review significant accounting and reporting issues and assess the appropriateness of accounting policies and methods chosen by management, particularly those relating to significant accounting estimates and judgements and the assessment of going concern.
- (c) Review recent regulatory and professional pronouncements and understand their impact on the financial statements.
- (d) Review the results of the audit with the external auditor, including significant adjustments, uncorrected misstatements and any difficulties encountered or unresolved disagreements with management.
- (e) Review the appropriateness of disclosures in the financial statements and financial reporting to stakeholders, particularly in regard to estimate and judgments.
- (f) Review all matters required to be communicated to the Audit and Governance Committee under Australian Auditing Standards with management and the external auditor, such as key audit matters for listed companies, significant internal control deficiencies, indications of fraud or corruption and non-compliance with laws or regulations.
- (g) Review management representations, including the Chief Executive Officer and Chief Financial Officer declarations regarding the financial report and financial records.
- (h) Provide a recommendation to the Board whether the financial report should be approved, based on a review of the financial statements, note disclosures and other information.
- (i) Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about the entity and its operations, and is unbiased.
- (j) Review management's process for ensuring that information contained in analyst briefings, investor presentations and press announcements is consistent with published financial information, and is balanced and transparent.
- (k) Ensure that the declaration referred to in Recommendation 4.2 of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations is given before the Board approves the Company's financial statements for each half-year and full year.

### 4.2 Fraud and internal control

- (a) Consider the impact of the Company's culture on internal control.
- (b) Assess the internal processes for determining and managing key financial risk areas, particularly:
  - (i) compliance with laws, regulations, standards and best practice guidelines, including industrial relations laws;
  - (ii) important judgments and accounting estimates;
  - (iii) litigation and claims; and
  - (iv) fraud and theft.
- (c) Make recommendations to the Board for improvements (if any) in relation to the internal financial management and financial controls of the Company.

- (d) Obtain and assess management reports on any suspected or actual fraud, theft or breaches of law, and recommend appropriate actions by the Board.
- (e) Address the effectiveness of the internal control, financial risk management and performance management systems with management and the external audit providers.
- (f) Evaluate the processes the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
- (g) Meet periodically with key management and external auditors to understand and discuss the control environment.

#### **4.3 External audit**

- (a) Assess the quality and effectiveness of the audit conducted and evaluate performance of the auditor.
- (b) Meet with the external auditor at least twice each year, and any other time considered appropriate.
- (c) Review the Company's Procedure for the Selection, Appointment and Rotation of External Auditor set out in the Appendix to this Audit and Governance Committee Charter.
- (d) Carry out the functions ascribed to the Audit and Governance Committee in the Procedure for the Selection, Appointment and Rotation of the External Auditor.
- (e) Review with the external auditor the scope and terms of the audit and the audit fee including a review of non-audit services provided by the external auditor.
- (f) Review the audit plan for coverage of material risks and financial reporting requirements.
- (g) Monitor and review auditor independence and objectivity.
- (h) Establish ongoing communications with the auditors and ensure access to directors and the Audit and Governance Committee.
- (i) Review reports from the external auditors (including auditor's reports, closing reports and management letters).
- (j) Discuss with the external auditor matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.
- (k) Review any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.
- (l) Ensure that the external auditor is given notice of all general meetings, and attends the Company's annual general meeting.

#### **4.4 Compliance**

- (a) Consider the impact of the Company's culture on compliance processes.
- (b) Monitor the impact of changes in key laws, regulations, internal policies and Accounting Standards affecting the entity's operations.
- (c) Review the effectiveness of the entity's systems, policies and practices that relate to compliance with laws, accepted governance principles, regulations, internal policies and Accounting Standards, and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- (d) Obtain regular updates from management about compliance and ethical matters that may have a material impact on the entity's financial statements, strategy, operations or reputation, including material breaches of laws, regulations, standards and company policies.
- (e) Review and monitor related party transactions.

- (f) Discuss with management whether all regulatory compliance matters of the Company have been considered in the preparation of the financial statements, such as compliance with Accounting Standards and the requirement for the financial statements to reflect a 'true and fair' view.
- (g) review of the Company's corporate governance statement, policies and practices implemented by the Company and oversight on how they are being communicated and followed, including the Company's compliance with ASX Listing Rules.

#### **4.5 Other**

Perform such other functions related to this Charter as requested by the Board.

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## **5 Operations**

The Audit and Governance Committee meets at least twice per financial year and otherwise as required. Minutes of all meetings of the Audit and Governance Committee are kept. The minutes are tabled at each subsequent meeting of the Board. Audit and Governance Committee meetings will be governed by the same rules set out in the Company's Constitution as they apply to meetings of the Board.

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## **6 Authority and resources**

The Company will provide the Audit and Governance Committee with sufficient resources to undertake its duties, including providing educational information on accounting policies and other financial topics relevant to the Company, to assist the Audit and Governance Committee in fulfilling its duties.

The Audit and Governance Committee is authorised to:

- (a) seek any information it requires to perform its duties, from any employee of the Company;
- (b) seek explanations and additional information from the Company's external auditors, without management present, when required; and
- (c) obtain, at the Company's expense, external legal or other professional advice on any matter within its responsibilities as set out in this Audit and Governance Committee Charter.

The Audit and Governance Committee has the power to conduct or authorise investigations into any matter within its scope of responsibilities.

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## **7 Reporting**

The Chair of the Audit and Governance Committee will report to the Board, at the following Board meeting, on the proceedings of each meeting of the Audit and Governance Committee, bringing forward all recommendations of the Audit and Governance Committee which require Board approval, and reporting on any actions taken by the Audit and Governance Committee.

The Chair of the Audit and Governance Committee is to be present at the Company's annual general meeting to answer questions, through the Chair of the Board.

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## **8 Review**

This Audit and Governance Committee Charter will be reviewed by the Audit and Governance Committee at least annually, and updated as required.