

# **AIC RESOURCES LIMITED**

ACN 619 035 737

## **AUDIT COMMITTEE CHARTER**

This charter governs the operation of the Audit Committee (**Committee**).

### **Role**

The role of the Committee is to provide assistance to the Board in fulfilling their oversight responsibility relating to:

- The integrity of the financial statements.
- The effectiveness of internal control over financial reporting.
- The independent auditor.
- Any other functions as assigned by the Board.

### **Composition**

The Audit Committee shall comprise the full Board of Directors until such time as the activities and/or size of the Company warrant the creation of a separate Audit Committee comprising only some of the Directors.

The Committee's members between them will have the accounting and financial expertise sufficient to discharge the Committee's mandate effectively.

### **Operation**

The Committee meets at least twice annually, to discuss the financial statements with management and the independent auditor prior to the finalisation of the annual and half yearly reports, with further meetings on an as required basis.

At the discretion of the Chair, having regard to the nature of the agenda, relevant members of management may be invited to attend meetings or parts of meetings.

The Committee shall keep minutes of its meetings and shall report to the Board with respect to its activities.

### **Duties and Responsibilities**

The following shall be the principal duties and responsibilities of the Committee:

- In relation to the independent auditor the Committee is directly responsible for the appointment, compensation, rotation of the lead audit partner, retention of the audit firm and oversight of the work of the independent auditor. This shall include all audit and non audit services provided by the independent auditor. The independent auditor shall report directly to the Committee.
- Regular review with the independent auditor any audit problems or difficulties encountered during the audit including any restrictions on the scope of the independent auditors' activities or access to information.
- Meet to discuss the financial statements with management and the independent auditor prior to the finalisation of the annual and half yearly reports.

### **Duties and Responsibilities (Continued)**

- Review of the financial statements shall include:
  - Reviewing and considering issues regarding accounting policies and the substance and presentation of the financial statements.
  - Discussing with management and the independent auditor significant financial reporting issues and judgments made in the preparation of the financial statements and the reasonableness of those judgments.
  - Scrutinising the judgment of both management and the independent auditor about the quality of the accounting policies including any significant changes in their selection or application.
  - Assessing whether external reporting is consistent with the Committee's information and knowledge.
  - Ensuring the clarity of the disclosures in the annual and half yearly reports.
- Review management's report on its assessment of the effectiveness of internal control over financial reporting at the end of each reporting year.
- Make recommendations for improvements (if any) in relation to the internal management and the financial controls of the Company.
- Review all related party transactions and discuss with management the business rationale for the transactions.

### **Authority of the Committee**

The Committee has the authority to:

- Obtain independent professional or other advice in the fulfilment of its duties at the Company's cost; and
- Obtain such resources and information from the Company in the fulfilment of its duties as it may reasonably require.

### **Review of Committee Performance**

The Committee will annually revisit its objectives and duties and evaluate the effectiveness of its performance

The approval of the Board is required for any amendment to the Committee charter.