



warrego
energy

Warrego Energy Limited
ACN 125 394 667

WARREGO ENERGY LIMITED

AUDIT COMMITTEE CHARTER

1. Scope and Benefits

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its legal and statutory responsibilities and provide the following benefits to the Company:

- (a) *Improving the quality of financial reporting both internally and externally.*
- (b) *Improving the communication between the Board and the External Auditors.*
- (c) *Improving the effectiveness of the external audit function.*
- (d) *Maintaining the independence of the External Auditors.*
- (e) *Increasing public confidence in the credibility and objectivity of published financial information. →*
- (f) *Strengthening the role of Non-executive Directors.*
- (g) *Improving the efficiency of the Board by delegation of certain tasks to the Audit Committee, particularly in relation to reviewing financial reporting.*

2. Responsibilities:

The Audit Committee acts primarily as an advisory body to the Board and in making recommendations to the Board. The Board and the external auditors are accountable to the shareholders. The Audit Committee is accountable to the Board. The Committee does not, as of itself, have the power or authority of the Board in dealing with matters on which it advises except where certain powers are specifically set out in this Charter or otherwise delegated by the Board. The Committee must be composed of at least three persons, a majority of whom must be both independent and non-executive directors and is to meet no less than four times a year. The key matters discussed at each meeting are to be reported by the Chair of the Committee to the Board at the next Board Meeting. To fulfil its responsibilities the Committee shall perform activities in relation to the following areas:

- (a) *Financial reporting, preparation and maintenance of accounting policies and internal controls (including accounting and financial compliance and performance checks).*
- (b) *Corporate Governance.*

3. Financial reporting, accounting policies and internal controls

- (a) Review the quality and integrity of the Company's financial reporting to shareholders, Australian Securities Exchange and the Australian Securities and Investments Commission.

- (b) Review the accounting policies, internal controls, practices and disclosures to assist the Board in making informed decisions, with direct access to management.*
- (c) Review the scope and outcome of external audits, with direct access to external auditors.*
- (d) Nominate external auditors and review the adequacy of existing external audit arrangements.*
- (e) Ensure the independence of external auditors and review any other services provided by them.*
- (f) Review the Company's risk management systems.*
- (g) Report to the Board on its meetings and the results of any assessments and reviews.*
- (h) Ensure that the external auditor is invited to attend all general meetings of shareholders.*

4. Corporate Governance

- (a) Recommend to the Board limits of authority within the company for incurring expenditure and entering into contractual commitments.*
- (b) Examine all related party transactions and recommend approval or required amendments to the Board.*
- (c) Monitor the use of delegated financial authority within the company.*
- (d) Review details of payments made by the Company and any group companies.*
- (e) Make recommendations to the Board regarding any proposed changes or additions to the Company's accounting policies.*
- (f) Make recommendations to the Board on Corporate Governance issues generally and advise the Chairman as required.*
- (g) Monitor the effectiveness of the external Auditor function and make recommendations to the Board on any change in External Auditors.*
- (h) Monitor the way in which oil and gas reserves and resources are reported to ensure that it complies with international best practices.*

Adopted by the Board on: 17 April 2019

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