



PALADIN ENERGY LTD

ACN 061 681 098

AUDIT COMMITTEE CHARTER

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1. APPLICABILITY

This Charter applies to all members of Paladin Energy Ltd's (Paladin or the Company) Audit Committee.

2. ROLE

The role of the Audit Committee is to:

- (a) monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgments;
- (b) review the effectiveness of the Company's internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- (c) monitor and review the effectiveness of the Company's internal audit function;
- (d) monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- (e) monitor and review the Company's corporate reporting processes;
- (f) perform such other functions as assigned by law, the Company's Constitution, or the Board; and
- (g) review compliance with legal and regulatory requirements.

3. RESPONSIBILITIES

Annual responsibilities of the Committee are as set out in the Audit Committee Action Points (attached).

4. COMPOSITION

The Committee will be appointed by the Board and shall be composed of at least three members, all of which are independent non-executive directors.

At least one member is to have significant, recent and relevant financial experience.

5. MEETINGS

The Committee will meet at least once every quarter, with further meetings as required.

Meetings of the Committee may be held telephonically.

Minutes of all meetings of the Committee are to be kept and the minutes and a report of actions taken or recommended to be given at each subsequent meeting of the full Board.

Committee meetings will be governed by the same rules, as set out in Paladin's Constitution as they apply to the meetings of the Board.

At the discretion of the Chairperson, having regard to the nature of the agenda, relevant members of management and the external auditor may be invited to attend meetings.

The Committee shall meet with the external auditor without management present, as required.

6. AUTHORITY

The Company is to provide the Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Committee.

The Committee is authorised:

- (a) to seek any information it requires in order to perform its duties, from any employee of Paladin; and
- (b) to obtain, at Paladin's expense, external legal or other professional advice on any matter within its Charter.

The Committee will have the power to conduct or authorise investigations into any matters within its scope of responsibilities.

7. REVIEW

The Charter will be reviewed regularly to ensure it meets best practice standards, complies with all governance principles of those stock exchanges on which it is listed and meets the requirements of Paladin and the Board. In addition, the Committee will undertake an annual performance evaluation that reviews the performance of the Committee against this Charter.

Date adopted:	12 April 2005
Last amendment:	18 May 2015
Last review:	18 May 2015

<End>

AUDIT COMMITTEE CHARTER – ANNUAL ACTION POINTS

Financial Reporting and Internal Controls

- Review quarter, half-year and annual financial statements
- Consider management's selection of accounting policies and principles and understand the material alternatives
- Consider the external audit of the financial statements and the external auditor's report thereon
- Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks (and other business risks if authorised)
- Review complex and unusual transactions and their effect on the financial statements
- Review Related Party Transactions and the adequacy of their disclosure in the financial statements
- Review and endorse the internal audit programme and monitor its results on a quarterly basis
- Make recommendations to the Board for the appointment or, if necessary, the dismissal of the head of internal audit (if any)

Annual meeting with External Auditor

- Discuss the Company's choice of accounting policies and methods, and any recommended changes
- Discuss the adequacy and effectiveness of the Company's internal controls
- Discuss any significant findings and recommendations of the external auditor and management's response thereto
- Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information
- Discuss significant estimates and judgements used in the preparation of the financial statements

External Auditor Engagement

- Establish/review criteria for the selection, appointment and rotation of external auditor
- Recommend to the Board to appoint and replace the external auditor and approve the terms on which the external auditor is engaged
- Establish/review permissible services that the external auditor may perform for the company and pre-approve all audit/non-audit services
- Confirm the independence of the external auditor, including reviewing the external auditor's non-audit services and related fees
- Ensure that the external auditor is requested to attend the AGM of the Company and is available to answer questions from shareholders

Internal Communications and Reporting

- Provide copies of minutes of meetings to the full Board.
- Regularly update the Board about committee activities and make appropriate recommendations
- Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business

Other

- Verify the membership of the committee is in accordance with the Audit Committee Charter
- Review the independence of each committee member based on ASX Corporate Governance Guidelines
- Review and update the Audit Committee Charter and Action Points
- Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls and auditing matters

Revised Action Points Adopted: 18 August 2005

Revised Action Points Amended: 20 May 2014