

# **PENN VIRGINIA RESOURCE GP, LLC**

## **AUDIT COMMITTEE CHARTER**

The Board of Directors (the “Board”) of Penn Virginia Resource G P, LLC (the “Company”) has established the Audit Committee (the “Committee”) of the Board. The Company serves as the general partner for Penn Virginia Resource Partners, L.P. (the “Partnership”), a Delaware limited partnership.

### **Purpose**

The Committee shall assist the Board in fulfilling its oversight responsibility for

- A. The quality and integrity of the financial statements of the Company and the Partnership;
- B. The compliance with legal and regulatory requirements by the Company and the Partnership;
- C. The qualifications, independence and performance of the public accounting firm employed by the Company to conduct the annual audit of the Company and the Partnership (“the independent registered public accountants”); and
- D. The performance of the internal auditing function of the Company and the Partnership.

### **Membership**

- A. Composition. The Committee shall consist of at least three members, each of whom will be financially literate. Each member of the Committee shall be independent as defined by New York Stock Exchange listing standards. It is expected that the Committee will include at least one director who is a “financial expert” as defined by Section 407 of the Sarbanes-Oxley Act of 2002. The Board shall appoint the members of the Committee. The composition of the Committee will be in accordance with the rules of the SEC and the New York Stock Exchange. One of the members shall serve as the chairperson of the Committee. The chairperson of the Committee shall be designated by the Board or, if no such designation is made, shall be selected by the affirmative vote of a majority of the Committee. The Board may remove or replace the chairperson and any other member of the Committee at any time. Any Committee member who ceases to be independent shall resign.
- B. Limitations on Outside Service. No member of the Committee may serve on the audit committee of more than three public companies, including the Company.
- C. Limitations on Compensation. No member of the Committee may receive compensation from the Company, including consulting fees, other than director’s fee and committee fees.

## **Authority**

The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. Without limiting the generality of the preceding statements, the committee shall have authority, and is entrusted with the responsibility and empowered, to take the following actions:

1. Appoint, compensate, dismiss and oversee the work of the independent registered public accountants. This firm will report directly to the Committee.
2. Resolve any disagreements between management and the independent registered public accountants regarding financial reporting.
3. Pre-approve all auditing and permitted non-audit services to be performed by the Partnership's independent registered public accountants. The Committee may delegate authority to subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, provided that such decisions are presented to the full Committee at its next scheduled meeting.
4. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
5. Appoint, replace or dismiss the senior internal audit executive of the Company, who shall report directly to the Committee.
6. Seek any information it requires from employees or external parties, all of whom are directed to cooperate with the Committee's requests.
7. Meet with Company and Partnership officers, the independent registered public accountants or outside counsel, as necessary.

## **Duties and Responsibilities**

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in the Purpose section of this Charter. The Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other duties and responsibilities delegated to it by the Board of Directors from time to time.

### **A. Financial Statement and Disclosure Matters**

1. Review with management and the independent registered public accountants significant financial reporting issues and judgments made in connection with the preparation of the financial statements of the Company and the Partnership, including:
  - (a) Any significant changes in the selection or application of accounting principles by the Company and/or the Partnership;
  - (b) Any alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with

management, ramification of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accountants;

- (c) The effect on the financial statements of the Company and/or the Partnership of significant regulatory and accounting initiatives, as well as off-balance sheet structures; and
  - (d) The major financial risk exposures of the Company and the Partnership and the steps management has taken to monitor and control such exposures, including their assessment and risk management policies.
2. Prior to public dissemination, review with management and the independent registered public accountants the annual audited and quarterly unaudited financial statements, including the Partnership's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Based on the annual review, recommend to the Board inclusion of the audited financial statements in the Annual Report on Form 10-K.

During these reviews, discuss with the independent registered public accountants any audit problems or difficulties and management's response, including, but not limited to (a) any restrictions on the scope of the independent registered public accountant's activities, (b) any restriction on the access of the independent registered public accountants to requested materials, (c) any significant disagreements with management and (d) any audit differences proposed by the independent registered public accountants but for which the financial statements were not adjusted (as immaterial or otherwise). The Committee will resolve any disagreements between the independent registered public accountants and management regarding financial reporting.

- 3. Discuss with management earnings press releases and financial information provided to analysts and rating agencies at least generally but not necessarily in advance of each release of information.
- 4. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Qs about any material weaknesses or significant deficiencies in the design or operation of disclosure controls and procedures and any fraud involving management or other employees who have a significant role in the internal controls of the Company and/or the Partnership.
- 5. Discuss with the independent registered public accountants the matters required to be discussed by Statement of Auditing Standards No. 114 – Communication with Audit Committees.
- 6. Discuss with the independent registered public accountants the adequacy of the financial accounting personnel of the Company and the Partnership and the

cooperation received by the independent registered public accountants while conducting their audit.

7. Review significant communications between the independent registered public accountants and management including, but not limited to engagement letters, management representation letters, written communications on accounting matters.

B. Internal Controls

8. Review with management, including the senior internal auditing executive and the independent registered public accountants, internal audit reports and management letters prepared by the independent registered public accountants (including recommendations and management's responses) relating to the integrity and effectiveness of the internal accounting procedures and controls of the Company and the Partnership.
9. Obtain quarterly assurances from the senior internal auditing executive and management that the system of internal controls is adequate and effective.
10. Obtain annually a report from the independent registered public accountants, with attestation, regarding the Company's internal control over financial reporting.

C. Independent Registered Public Accountants

11. Meet with the independent registered public accountants and financial management prior to the audit to review the planning, scope, audit approach and staffing of the audit including the coordination of audit effort with the internal audit function of the Company and the Partnership.
12. Review, at least annually, the qualifications, performance and independence of the independent registered public accountants. In conducting such review, the Committee shall obtain and review a report by the independent registered public accountants describing (a) the firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and (c) all relationships between the independent registered public accountants and the Company and/or the Partnership that could be considered to bear on the auditors' independence. This evaluation shall include a discussion with management of their views regarding the responsiveness of the independent registered public accountants to the needs of the Company and the Partnership. This evaluation shall also include the review and evaluation of the lead partner of the independent registered public accountants and shall ensure the rotation of partners in accordance with Commission rules and the securities laws.

13. Approve in advance any audit or permissible non-audit engagement or relationship between the Company and/or the Partnership and the independent registered public accountants.
14. Set policies for the hiring of employees or former employees of the independent registered public accountants by the Company and/or the Partnership.
15. On a regular basis, meet separately with the independent registered public accountants to discuss any matters that the Committee or auditors believe should be discussed privately.
16. Consider whether to rotate the independent registered public accountants.

D. Internal Audit

17. Review and approve the annual internal audit plan after consideration of a risk assessment provided by the senior internal audit executive which takes into account financial, compliance and operating risks.
18. Review and approve the annual budget, staffing and organizational structure of the internal audit function after discussion with the independent registered public accountants, Company management and the senior internal audit executive.
19. Review the effectiveness of the internal audit function and the senior internal audit executive at least annually.
20. Review the adequacy of the Internal Audit Charter annually and make changes as needed.
21. On a regular basis, meet separately with the senior internal audit executive to discuss any matters that the Committee or internal auditor believes should be discussed privately.

E. Compliance Oversight

22. Review the adequacy of the code of conduct for directors, officers and employees and discuss with management the program that management has established to monitor compliance with the code of conduct.
23. Review any change or waiver for directors and executive officers in the code of conduct, and approve any disclosure made by the Partnership on Form 8-K regarding such change or waiver.
24. Review procedures the Committee has established for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including the confidential anonymous submission of concerns by employees regarding questionable accounting, internal control or auditing matters.

25. Discuss with management and the independent registered public accountants any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the financial statements or accounting policies of the Company and/or the Partnership.
26. Review at least annually legal matters with the General Counsel that may have a material impact on the financial statements or compliance policies (including but not limited to the Foreign Corrupt Practices Act) of the Company and/or the Partnership and any material reports or inquiries received from regulators or governmental agencies with respect to the Company and/or the Partnership.

F. Other Responsibilities

27. Meet with the Company's CEO and CFO annually to assess the policies and processes for communicating with the Partnership's unitholders, institutional investors, analysts and brokers, and to obtain an understanding of the investor community's overall views and concerns about the Partnership.
28. Meet separately with management to discuss any matters that the Committee, the internal auditors or the external auditors believe should be discussed privately.
29. Report regularly to the Board with respect to any issues that arise with respect to the quality or integrity of the financial statements of the Company and/or the Partnership, their compliance with legal or regulatory requirements, the performance and independence of the independent registered public accountants or the performance of the internal audit function.

**Procedures**

Meetings. The Committee may meet at least quarterly, but may meet as often as may be necessary at the call of its chairperson, two or more members of the Committee, or the Chairman of the Board. Meetings may, at the discretion of the Committee, include members of management or consultants, and such other persons as the Committee or its chairperson may determine. The Committee may meet in person, by telephone conference call, or in any other manner in which the Board is permitted to meet under law or the Company's limited liability company agreement.

The Committee shall meet in executive session with the independent registered public accountants, the senior internal audit executive and members of senior management on an individual basis at least quarterly.

Quorum and Approval. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

Rules. The Committee may determine additional rules and procedures including designation of a chairperson pro tempore in the absence of the chairperson, and designation of a secretary of the Committee or any meeting thereof.

Reports. The Committee shall maintain minutes of its meetings and shall make regular reports of these meetings, including the Committee's actions, conclusions and recommendations to the Board directly or through the chairperson.

Review of Charter. Each year, the Committee shall review the adequacy of this Charter and recommend any proposed changes to the Board for approval.

Performance Evaluation. Each year the Committee shall review and evaluate its own performance and shall submit itself to the review and evaluation of the Board.

Fees. Each member of the Committee shall be paid the fee set by the Board for services as a member or chairperson of the Committee.

**Effective Date of Audit Committee Charter**

This Charter was approved by the Board on December 8, 2003 and last revised on July 21, 2009.