

## RISK AND AUDIT COMMITTEE CHARTER

### ALLIANCE MINERAL ASSETS LIMITED ACN 147 393 735 (Company)

#### Objectives

- 1 The Risk and Audit Committee (**Committee**) has been established by the board of directors (**Board**) of the Company pursuant to article 14.10 of the Company's Constitution.
- 2 The purpose of the Committee is to:
  - 2.1 oversee, review and supervise the Company's risk management framework and promote a risk management culture;
  - 2.2 assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance and the audit process;
  - 2.3 assist the Board in monitoring compliance with laws and regulations and the Company's Code of Conduct and Ethics;
  - 2.4 assist the Board to adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and
  - 2.5 review the adequacy of the Company's insurance policies.

#### Authority

- 3 The Committee has authority to:
  - 3.1 conduct or authorise investigations into any matters within its purpose;
  - 3.2 seek external advice or assistance, at the expense of the Company, including the appointment of consultants and independent external advice; and
  - 3.3 seek information and communicate directly with the Company's senior management, advisers, internal auditor (if appointed) and external auditor at any time.
- 4 The Committee will make recommendations to the Board on all matters requiring a decision from the Board. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

#### Membership

- 5 Members of the Committee shall comprise members of the Board appointed by the Board.
- 6 The number of members of the Committee shall be a minimum of three directors, all of whom shall be non-executive directors and, a majority of whom shall be independent directors.
- 7 All members of the Committee shall be financially literate and the members of the Committee, between them, should have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively.
- 8 The Board will nominate the Chair of the Committee from time to time. The Committee Chair shall be an independent non-executive director who is not Chair of the Board.

## **Committee Meetings**

- 9 The Committee will meet as often as the Committee members deem necessary to discharge its role effectively, but not less than four times annually having regard to the Company's reporting and financial audit cycle.
- 10 The Committee Chair shall convene a meeting of the Committee if required to do so by any Committee member or the Board.
- 11 A quorum of the Committee will comprise two members.
- 12 All members of the Board have a standing invitation to attend meetings of the Committee.
- 13 If the Committee Chair is absent from a meeting and no acting chair has been appointed, the Committee members present may choose one of them to act as chair for that meeting.
- 14 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and any other person invited by the Committee to attend.
- 15 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 16 Each member of the Committee will have one vote. The Committee Chair will not have a casting vote. If there is a tied vote, the motion will be referred to the Board for resolution.
- 17 Following each meeting, the Committee Chair will report to the Board, at the next Board meeting, on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action, and provide the Board with sufficient information upon which to make a decision in that regard.
- 18 The Company Secretary shall co-ordinate the timely completion and dispatch of the Committee agenda, minutes and materials for each meeting. The minutes of each Committee meeting will, following preliminary approval by the Committee Chair, be circulated to the Board.

## **Responsibilities**

- 19 The responsibilities of the Committee are as follows:

### **Risk management**

- 19.1 consider the overall risk management framework and risk profile and annually review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- 19.2 review with management the adequacy of the Company's systems for identifying, managing, and monitoring the key risks to the Company in accordance with the Company's Risk Management Policy;
- 19.3 obtain reports from management on the status of any key risk exposures or incidents;
- 19.4 review the adequacy of the Company's process for managing risk and provide a recommendation to the Board regarding the same in accordance with the Company's Risk Management Policy;
- 19.5 review any incident involving fraud or other break down of the Company's internal controls in accordance with the Company's Risk Management Policy;

- 19.6 review any incident involving any break down of the Company's risk management framework in accordance with the Company's Risk Management Policy;
- 19.7 review the Company's insurance program having regard to the Company's business and the insurable risks associated with its business and inform the Board regarding the same;
- 19.8 review whether the Company has any material exposure to any economic, environmental and social sustainability risks and if so, develop strategies to manage such risks to present to the Board;

#### **Financial statements**

- 19.9 review the quarterly (if applicable), half-yearly and yearly financial statements and consider whether they are complete, consistent with information known to the Committee, reflect appropriate accounting policies and principles and otherwise provide a true and fair view of the financial position and performance of the Company;
- 19.10 receive and consider in connection with the Company's quarterly (if applicable), half-yearly and yearly financial statements letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions;
- 19.11 review the financial sections of the Company's Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information;
- 19.12 review with management and the external auditors the results of the audit;
- 19.13 receive from the Company's Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively before the Board approves the quarterly (if applicable), half-yearly and yearly financial statements;

#### **Internal control**

- 19.14 monitoring of corporate risk assessment and the internal controls instituted in accordance with the Company's Risk Management Policy;
- 19.15 review the adequacy and effectiveness of the Company's internal controls regarding all matters affecting the Company's financial performance and financial reporting, including operational, compliance, information technology security and control;
- 19.16 review the scope of internal (if one is appointed) and external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate;

#### **Internal audit**

- 19.17 review with management and the internal auditor (if one is appointed) the plans and activities of the internal auditor;

- 19.18 meet with the internal auditor (if one is appointed) to review reports and monitor management response;
- 19.19 review the scope and adequacy of the internal audit work plan (if any);
- 19.20 meet separately, at least once a year, to discuss any matters that the Committee or internal auditor (if one is appointed) believes should be discussed privately;
- 19.21 review the objectivity and performance of the internal audit activity (if any);
- 19.22 review the independence of the internal auditors (if any) and their auditing practices;
- 19.23 ensure there are no unjustified restrictions or limitations placed on the internal audit function, and review and concur in the appointment, replacement or dismissal of the internal auditor (if one is appointed);

#### **External audit**

- 19.24 establish procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- 19.25 review the external auditors' proposed audit scope and approach;
- 19.26 meet with the external auditor to review reports, and meet separately from management, at least once a year, to discuss in that regard any matters that the Committee or auditors believe should be discussed privately;
- 19.27 establish policies as appropriate in regards to the independence, integrity and performance of the external auditor;
- 19.28 review of the independence of the external auditors and the appropriateness of any services provided by them to the Company (if any), outside their statutory role;
- 19.29 for the purpose of removing or appointing external auditors review their performance, including their proposed fees, and if appropriate conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to shareholders for their approval;
- 19.30 review any proposal for the external auditor to provide non-audit services and consider whether it might compromise the independence of the external auditor;

#### **Compliance**

- 19.31 consider the workplan for Company compliance activities;
- 19.32 obtain regular updates from management regarding compliance matters;
- 19.33 review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;
- 19.34 review and assess the management process supporting external reporting;
- 19.35 review the findings of any examinations by regulatory agencies and authorities;

- 19.36 review the process for communicating the Code of Conduct and Ethics to Company personnel, and for monitoring compliance with that Code;

### **Reporting responsibilities**

- 19.37 regularly report to the Board about Committee activities, issues, and related recommendations. Such report should include the results of the Committee's:
- 19.37.1 assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for the needs of the Company's shareholders;
  - 19.37.2 assessment of the management processes which supports external reporting;
  - 19.37.3 assessment of the Company's corporate reporting processes;
  - 19.37.4 assessment of the appropriateness of the accounting choices made by management in preparing the Company's financial statements;
  - 19.37.5 procedures for the selection and appointment of the Company's external auditor and for the rotation of external audit engagement partners;
  - 19.37.6 recommendations for the appointment or, if necessary, the removal of the external auditor;
  - 19.37.7 assessment of the performance and independence of the Company's external auditor. Where the external auditor provides non-audit services, the report should also state whether the Committee is satisfied that provision of those services has not compromised the auditor's independence;
  - 19.37.8 assessment of the performance and objectivity of the Company's internal audit function;
  - 19.37.9 review of the Company's risk management and internal control systems; and
  - 19.37.10 recommendations for the appointment, or if necessary, the dismissal of the head of internal audit;
- 19.38 provide an open avenue of communication between internal audit, the external auditors and the Board. For the purpose of supporting the independence of their function, the external auditor and the internal auditor (if one is appointed) will have a direct line of reporting access to the Committee;
- 19.39 review any other reports the Company issues that relate to Committee responsibilities;

### **Related party and interested person transactions**

- 19.40 review and monitor related party and interested person transactions and investments involving the Company and its directors, including a formal review of the register of related party contracts maintained and provided by management on at least a quarterly basis;
- 19.41 review and approve all transactions in which the Company is a participant and in which any parties related to the Company (including its executive officers,

Directors, beneficial owners of more than 5% (substantial holding) of the Company's shares, Immediate Family Members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company) has or will have a direct or indirect material interest;

- 19.42 the Committee should only approve those related party and interested person transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its shareholders, after taking into account all available facts and circumstances as the Committee or the Chair of the Company determines in good faith to be necessary. Transactions with related parties, interested persons or shareholders who have voting power in at least 10% of the Company may also be subject to shareholder approval to the extent required by the Listing Rules;

#### **Other responsibilities**

- 19.43 review the adequacy of external reporting by the Company to meet the needs of shareholders;
- 19.44 review the adequacy of the Company's and its subsidiaries insurance policies;
- 19.45 perform other activities related to this Charter as requested by the Board including where requested by the Board, evaluate, approve and monitor major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;
- 19.46 institute and oversee special investigations as needed;
- 19.47 confirm annually that all responsibilities outlined in this Charter have been carried out; and
- 19.48 evaluate the Committee's and individual members' performance on a regular basis.

#### **Review of Committee and Committee Charter**

- 20 The Committee will review annually its activities and the manner in which it has carried out its responsibilities, and report to the Board on the outcome of the review.
- 21 The Committee will review annually the terms of the Charter. The Committee may recommend to the Board any changes to this Charter. Any amendments to this Charter must be approved by the Board.
- 22 Notwithstanding any other provisions, this Charter shall be read and interpreted at all times to facilitate compliance with the spirit and substance of applicable Australian and Singapore legislation and the Listing Rules (as may be amended from time to time). In the event of any inconsistency and where practicable, the Board shall seek to amend this Charter to comply with the relevant legislation and the Listing Rules.