



**Relentless Resources Limited (ACN 160 863 892)**

**Audit and Risk Committee Charter**

(As approved by the Board of Directors 22 August 2018)

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## **Audit and Risk Committee Charter**

### **1. Committee members**

The Board has established an Audit and Risk Committee. In establishing and operating the Audit and Risk Committee, the Board will be guided by the Charter set out below.

The Audit and Risk Committee (in this Section, the Committee), will ideally consist of the following:

- (a) a minimum of three members;
- (b) only non-executive Directors (if the Company has three or more non-executive Directors, otherwise the Board may appoint executive Directors to the Committee);
- (c) a majority of Independent Directors; and
- (d) an Independent Director as the chairperson who is not the Chairperson of the Board.

Each member of the Audit and Risk Committee is to be financially literate and at least one member of the Committee is to have accounting or related financial management experience. The Members of the Audit and Risk Committee should, between them, have the accounting and financial expertise, technical knowledge and a sufficient understanding of the industry in which the Company operates, in order to discharge the Charter.

The Company Secretary, chief financial officer, any accounting personnel for the Company and any representatives of the auditors may be invited to form part of the Committee or to attend meetings of the Committee from time to time.

### **2. Purpose**

The Audit and Risk Committee Charter (in this Section, the Charter) sets out the role, responsibilities, composition, authority and membership requirements of the Committee.

### **3. Objectives of the Committee**

The Committee's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company by:

- (a) reviewing and making recommendations to the Board in relation to whether the Company's financial statements reflect the understanding of the members of the Committee, and otherwise provide a true and fair view of the financial position and performance of the Company;
- (b) reviewing and making recommendations to the Board in relation to the appropriateness of the accounting judgments or choices exercised by Management in preparing the Company's financial statements;
- (c) ensuring that the Company's financial controls are appropriate for the business of the Company;
- (d) reviewing the scope, results and adequacy of external and internal audits;

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- (e) requiring the external auditors to report to the Committee;
  - (f) reviewing information received from the external auditor and bring to the Board's attention any relevant matters that may affect the quality of the Company's financial reports;
  - (g) maintaining a free and open communication forum between the Committee, external auditors and Management;
  - (h) monitoring compliance with regulatory requirements under the ASX Listing Rules, the *Corporations Act 2001* (Cth) and any other relevant guidelines;
  - (i) ensuring that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate and making recommendations in this regard;
  - (j) considering and making recommendations regarding the appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
  - (k) monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements and the performance of the external auditor;
  - (l) developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services by the external audit firm and making recommendations on any proposal by the external auditor to provide non-audit services;
  - (m) reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing risks, including:
    - (A) in relation to any incident involving fraud or other breakdown of the Company's internal controls;
    - (B) in relation to the Company's insurance program, having regard to the Company's business and the insurable risks associated with the business;
    - (C) in relation to any material exposure to economic, environmental and social sustainability risks and, how the company can manage those risks;
    - (D) ensuring the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems and overseeing this framework; and
    - (E) reviewing methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;
  - (n) considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities; and
  - (o) any other responsibilities as determined by the Committee or the Board from time to time.

#### **4. Approval of Financial Statements**

Prior to the Committee approving any of the Company's financial statements for a financial period, it must receive from the Managing Director a declaration that, in their opinion:

- (a) the financial records of the company have been properly maintained; and
- (b) the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.

The Managing Director must also reference when providing their declaration that their opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### **5. Reporting**

Proceedings of all meetings are to be minuted and signed by the chairperson of the Committee (in this Section, the Committee Chairperson).

The Committee, through the Committee Chairperson, is to report to the Board at the earliest possible Board meeting after each Committee meeting regarding the determinations and conclusions of the Committee at its meetings. Minutes of all Committee meetings (and any circular resolutions of the Committee) are to be circulated to the Board.

#### **6. Risk management policies**

The Committee will ensure that the necessary controls are in place for an appropriate risk management framework to be maintained by:

- (a) devising a means of analysing the effectiveness of risk management and internal compliance and control systems and of the effectiveness of their implementation; and
- (b) reviewing the Company's risk management framework at least annually in order to satisfy the Committee that it continues to be sound.

#### **7. Attendance at meetings**

- (a) Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed.
- (b) Notwithstanding Section 7(a), if in the opinion of the Committee, their investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee will give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.

**8. Access**

- (a) The Committee will have unlimited access to the external and internal auditors, and to senior management of the Company and staff of any group member. The Committee will also have the ability and authority to seek any information it requires to carry out its duties from any Officer or Employee of the Company and such Officers or Employees will be instructed by the Board to co-operate fully in the provision of such information. The Committee will also have the ability to interview Management and internal and external auditors (with or without Management present).
- (b) The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

**9. Application of the Standing Rules**

The Standing Rules for Committees apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms in this Charter.