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# Audit and Risk Committee Charter

Syndicated Metals Limited ACN 115 768 986 (Company)

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## 1 Composition

The full Board performs the function of an Audit and Risk Committee.

All members of the Audit and Risk Committee must be financially literate (that is, be able to read and understand financial statements); at least one member must have relevant qualifications and experience (that is, should be a qualified accountant or other finance professional with experience of financial and accounting matters); and some members should have an understanding of the industry in which the Company operates.

From time to time, non Board members may be invited to attend Board meetings when audit matters are being discussed, if it is considered appropriate.

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## 2 Role

The Board's role as an Audit and Risk Committee is to review and make recommendations to the Board in relation to:

- (a) the adequacy of the Company's corporate reporting processes;
  - (b) whether the Company's financial statements reflect the understanding of the Board, and otherwise provide a true and fair view of, the financial position and performance of the Company;
  - (c) the appropriateness of the accounting judgments or choices exercised by management in preparing the Company's financial statements;
  - (d) the appointment or removal of the external auditor, the rotation of the audit engagement partner, the scope and adequacy of the external audit, the independence and performance of the external auditor and any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
  - (e) the Company's internal financial control system and oversee the Company's risk management framework;
  - (f) compliance with the Company's *Code of Conduct*; and
  - (g) perform such other functions as assigned by law or the Company's Constitution.
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## 3 Operations

The full Board shall meet in its capacity as an Audit and Risk Committee at least once every quarter, with further meetings on an as required basis. Minutes of all such meetings must be kept and the meetings are to be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

At the scheduled meetings held in quarters one and three, the full Board in its capacity as the Audit and Risk Committee will meet to approve and sign the annual and half-yearly reports. At the scheduled meetings in quarters two and four, the full Board in its capacity as the Audit and Risk Committee will meet to review and update the Company's risk register.

A separate independent Chair, other than the chair of the Board, may be elected to chair the meeting when the Board meets as the Audit and Risk Committee. The Chair of the Audit and Risk Committee, if appointed, is to be present at the annual general meeting to answer questions, through the Chair of the Board.

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## **4 Responsibilities**

Annual responsibilities of the Board's function as the Audit and Risk Committee are as set out in the *Audit and Risk Committee Charter – annual action points* (attached).

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## **5 Authority and resources**

The Board may seek provision of educational information on accounting policies and other financial topics relevant to the Company, to assist in fulfilling their duties. Further, the Board may seek explanations and additional information from the Company's external auditors, without management present, when required.

When considered necessary or appropriate, the Board may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

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## **6 Review of Charter**

The Board will review this Audit and Risk Committee Charter at least annually, and update it as required.

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## Audit and Risk Committee Charter – annual action points

### Financial reporting and internal controls

- Review half-year, annual and, if applicable, quarterly financial statements
- Review compliance with relevant statutory and regulatory requirements
- Assess management's selection of accounting policies and principles
- Consider the external audit of the financial statements and the external auditor's report thereon including an assessment of whether external reporting is consistent with Board members' information and knowledge
- Consider internal controls including the Company's policies and procedures to assess, monitor and manage financial risks including tax risk (and other business risks if authorised)
- Assess if the external auditors report is adequate for shareholder needs

### 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 to those findings and recommendations
- Discuss any difficulties or disputes with management encountered during the course of the audit including any restrictions or access to required information

### External auditor

- Review the Company's *Procedure for the Selection, Appointment and Rotation of External Auditor*
- Appoint and, if necessary, remove 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
- Assess the overall performance of the external auditor
- Ensure external auditor is given notice of all general meetings and is requested to attend AGM

### Internal communications and reporting

- Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business

## **Risk**

- Evaluate the adequacy and effectiveness of the Company's risk management framework
- Identify material changes to the Company's risk profile
- Formulate an action plan to address areas of perceived risk and monitor implementation programs
- Review the strategic direction, objectives and effectiveness of the Company's risk management framework
- Consider internal controls, including the Company's policies and procedures to assess, monitor and manage risks.

## **Other**

- Verify the composition of the Audit and Risk Committee function is in accordance with the Audit and Risk Committee Charter
- Review the independence of each Board member based on the Company's *Policy on Assessing the Independence of Directors*
- Review the Audit and Risk Committee Charter and Action Points at least annually, and update as required
- Develop and oversee procedures for treating complaints or employee concerns received by the Company regarding accounting, internal accounting controls, auditing matters and breaches of the Company's *Code of Conduct*
- Consider continuous disclosure requirements with regard to corporate reporting