



## **AUDIT AND COMPLIANCE COMMITTEE CHARTER**

### **Introduction**

The Audit and Compliance Committee (the "Committee") is established as a committee of the Board of Nagambie Mining Limited ("Nagambie") on the terms set out in this Charter.

### **Role of the Committee**

The Committee monitors and reviews the effectiveness of the Company's controls in the areas of corporate governance, operational and balance sheet risk and financial reporting. The Committee is responsible for:

- overseeing the implementation and the operation of the Code of Conduct;
- administering continuous disclosure and compliance;
- external financial reporting;
- risk management, internal control structures and compliance with laws and regulations; and
- administering external audit activities.

The Committee has **delegated authority** from the Board in relation to:

- the scope of work for the external audit; and
- the provision of non-audit services by the external auditor.

The Board may also refer other matters to the Committee from time to time.

### **Responsibilities of the Committee**

*Implementation and operation of the Code of Conduct*

*Continuous Disclosure and Compliance*

The Committee will be responsible in reviewing matters brought to their attention and making any necessary disclosures to the ASX. The primary contact point on the Committee is the Company Secretary.

Upon receipt of a report that may require ASX disclosure, the Company Secretary will distribute the report as a matter of urgency to the Committee members and convene a meeting of the Committee. The Committee may convene a meeting by telephone, or other electronic means of audio or audio-visual communication.

If a Committee member is unavailable to attend the meeting the remaining Committee members may make a decision whether to disclose the information to the ASX. If the remaining Committee members cannot agree whether to disclose the information to the ASX, then they should seek legal advice.

If two Committee members are unable to attend the meeting, the remaining Committee member may make a decision to disclose the information after receiving appropriate legal advice.

#### *External Financial Reporting*

- draft external financial reports, including statutory quarterly, half year and full year financial reports;
- draft the ASX half year and full year reports;
- review all draft financial reports that are intended for publication prior to consideration by the Board;
- recommend to the Board that, based on the information available to the Committee, the draft financial statements, including the directors' report, be approved by the Board;
- review draft half year and full year dividend recommendations made by management and make a dividend recommendation to the Board; and
- evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements and financial information provided to Shareholders and the Board is accurate and reliable.

#### *Risk Management, Internal Control Structures & Compliance*

- monitor and review the effectiveness of the risk management and internal control structures and compliance processes implemented by management as they affect financial reporting; and
- advise the Board whether the risk management and internal control structures and compliance processes provide reasonable assurance that reliable financial records are maintained.

### *External Audit Activities*

- ensure that external audit activities are carried out in the most effective, efficient and comprehensive manner;
- review the terms of engagement (including fees) of the external auditor;
- review the ratio of non-audit services provided by the external auditor, the total amount of fees paid to the external auditor, the nature of non-audit services provided, and the statement of audit independence; and
- as appropriate, make recommendations to the Board in relation to the appointment and removal of the external auditor.

In carrying out the above roles, it is recognised that the Committee will place reliance on reports and advice from the external auditor, the Managing Director and other management.

In exercising the **authority delegated** by the Board, the Committee should: review and approve the scope of work of the external audit; and monitor the provision of non-audit services.

### **Membership & Attendance**

The Committee should comprise of at least **two** non-executive directors.

Members of the management and the external auditors may attend a meeting of the Committee by invitation. The Committee may also have access to financial and legal advisors in accordance with the Board's general policy.

The Committee Chair is appointed by the Board.

### **Meetings**

The quorum for a Committee meeting is **two** Committee members. The Committee should meet at least two times a year and more frequently if required. The Committee must ensure that minutes of Committee meetings are taken and its deliberations and decisions are recorded in the minutes.

### **Reporting to the Board**

At the next Board meeting after a Committee meeting, the Committee Chair should advise the Board of issues discussed at the Committee meeting. In addition, minutes of Committee meetings should be provided to the Board.

### **Committee Secretary**

The Company Secretary will serve as the Committee Secretary.