

Audit and Risk Management Committee Charter

1. Introduction and Purpose

- 1.1 The Board of Gold Corporation (Corporation) has established the Audit and Risk Management Committee (Committee) under section 8 of the *Gold Corporation Act 1987* (WA).
- 1.2 The primary purpose of the Committee is to assist the Board in its responsibility for the oversight of audit and risk management.
- 1.3 The Committee's primary areas of focus are financial reporting, risk management and internal controls, internal and external audit and compliance with applicable laws and internal policies.
- 1.4 This Committee charter (Charter) sets out the role, responsibilities, membership and operation of the Committee.

2. The Committee

Powers

- 2.1 The Committee is authorised by the Board to investigate any activity within the scope of the Charter and consult independent experts (at the Corporation's expense) if it considers it necessary to fulfil its purposes and carry out its duties.
- 2.2 Subject to any resolution of the Board, the Committee is required to make recommendations to the Board but has no executive powers to commit the Board or the Corporation to the implementation of those recommendations.

Duties and Responsibilities

- 2.3 Without limiting the scope of the Committee or any other matters referred to it by the Board, the principal functions and responsibilities of the Committee include:

Risk Management

- (a) reviewing, on an annual basis, the risk management framework, risk appetite statement and prudential management policy and recommending any changes to the Board;
- (b) reviewing, for all strategic and significant operational risks:
 - A. the risk consequences matrix;
 - B. the residual risk assessment; and
 - C. risk mitigation plans and internal controls designed to address identified risks;
- (c) reviewing and monitoring the effectiveness of risk management processes, strategies and systems for identifying, assessing and responding to risks (including changing and emerging risks) in a manner that is in accordance with the Corporation's risk appetite;

- (d) reviewing, on an annual basis, the business continuity and disaster recovery plan;
- (e) reviewing, on an annual basis, the adequacy of all insurance programs;

Compliance

- (f) reviewing, on an annual basis, the compliance management framework and compliance assurance program and recommending any changes to the Board;
- (g) reviewing the effectiveness of systems for monitoring compliance with applicable laws, regulations and internal policies;
- (h) obtaining and reviewing regular updates from management (and external parties, where applicable) on material compliance matters that impact on the compliance obligations of the Corporation;
- (i) obtaining and reviewing reports from the General Counsel on any material breaches of, or non-compliance with, relevant laws and regulations, including resolution of non-compliance matters, if appropriate;
- (j) reviewing the results of any investigations carried out by regulatory authorities and monitoring the implementation of recommendations;
- (k) reviewing and making recommendations to the Board with respect to any proposed outsourcing of anti-money laundering or counterterrorism financing (AML/CTF) obligations to an external provider in accordance with the Corporation's AML/CTF Program;
- (l) recommending to the Board the appointment of an independent reviewer to perform an independent review of Part A of the AML/CTF Program (Independent Review) as integrated into the annual internal audit plan;
- (m) confirming the independence of the internal reviewer referred to in (l) above;
- (n) reviewing and approving the scope of the Independent Review as determined by the AML/CTF Compliance Officer and reviewing the results of the Independent Review including the report prepared;

Financial Reporting

- (o) gaining an understanding of significant accounting and financial reporting issues, including recent professional and regulatory pronouncements, to assess the potential impact on the Corporation's annual financial statements;
- (p) reviewing the annual draft financial statements and performance indicators with management and the external auditor with specific focus on:
 - A. significant areas of estimation and judgement or unusual or complex transactions;
 - B. accounting policies, including compliance with applicable Australian Accounting Standards, reporting requirements and Treasurer's Instructions;
 - C. significant adjustments and unadjusted differences identified by the external auditor and any disagreements between management and the external auditor; and
 - D. whether the draft financial statements reflect the understanding of the Committee members of the financial position and performance of the Corporation;
- (q) receiving from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) a declaration that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards

and give a true and fair view of the financial position and performance of the Corporation and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;¹

- (r) reviewing the draft management representation letter to external auditor;
- (s) recommending to the Board whether the financial reports should be approved based on the Committee's assessment;

Internal Audit

- (t) recommending to the Board, in consultation with the CEO, the appointment and removal of any internal audit contractor or head of internal audit, as appropriate;
- (u) reviewing and approving the strategic and annual internal audit plans, audit scopes and annual internal audit fee;
- (v) monitoring the progress of the internal audit plan;
- (w) reviewing and discussing internal audit reports with the internal auditor and management, and reporting the findings to the Board;
- (x) monitoring that appropriate and prompt remedial action is taken in response to internal audit findings and recommendations;
- (y) reviewing the independence, objectivity and performance of the internal auditor on an annual basis;
- (z) reviewing the internal audit sourcing model every three years;
- (aa) ensuring the internal audit function has unrestricted access to all of the Corporation's activities, records, personnel and information and has a direct reporting relationship with the Committee;

External Audit

- (bb) reviewing the Auditor General's proposed external audit plan, timetable and key focus areas for the year in light of the Corporation's circumstances and changes in regulatory or other requirements;
- (cc) discussing with the external auditor any audit problems encountered in the normal course of the audit process, including any restriction on the audit scope or access to information;
- (dd) discussing significant findings and recommendations made by the external auditor, including management's response to matters raised and reporting the findings to the Board;
- (ee) monitoring the timely and proper implementation of management's action plans to address findings and recommendations arising from the external audit.
- (ff) ensuring and proper and timely interface exists between external and internal audit and the risk management function;

Reporting to the Board

- (gg) providing appropriate, constructive and regular reporting to the Board on its activities by way of a standing verbal report at Board meetings from the Chair and provision of the minutes and papers of Committee meetings to all members of the Board;
- (hh) ensuring that the Board is made aware of any significant areas of concern arising from its activities that may, for example, pose a material risk to the Corporation or may significantly impact the Corporation's financial condition or reputation;

¹ In accordance with recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations, 4th Edition, February 2019

- (ii) ensuring that the Board is made aware of significant issues and information arising from the activities of the external and internal auditors; and
- (jj) preparing any additional reports for the Board as requested by the Board.

Committee Composition

- 2.4 The Board appoints the Committee, which is comprised of at least three and not more than four members, each a non-executive director of the Board.
- 2.5 The Chair of the Committee is appointed by the Board, must be a non-executive director and must not be the Chair of the Board.
- 2.6 The members must be financially literate and the Committee should include a balance of members with audit, operational management and risk management expertise.

3. Committee Meetings and Procedure

Frequency

- 3.1 The Committee must meet as often as appropriate to enable it to discharge its duties but not less than four times per calendar year.

Annual Planner

- 3.2 The Committee must adopt and utilise an Annual Planner which includes all scheduled Committee meetings as well as major Committee activities.
- 3.3 The Chair, in conjunction with the CEO and Company Secretary, must endeavour to finalise the Annual Planner for each upcoming calendar year by November of the current calendar year.

Convening and chairing

- 3.4 The Chair must chair the Committee meetings.
- 3.5 If the Chair is absent from a meeting, then a member elected by the members present must chair the meeting.
- 3.6 The Chair may convene a meeting of the Committee at any time and must do so at the request of any Committee member, the Auditor General or its representative, the internal auditor or the CEO.

Notice and Agenda

- 3.7 The Company Secretary is responsible, in conjunction with the Chair, for drawing up the agenda for each meeting.
- 3.8 At least one week prior to the date of each meeting, the Company Secretary must cause a notice of the meeting to be circulated to each Committee member confirming the date, time and venue of the meeting. The notice must include the agenda and relevant supporting papers for the agenda items to be discussed.

Attendance and Location

- 3.9 The following persons are permanent attendees (but will not have a vote at Committee meetings):
 - (a) CEO;
 - (b) CFO;

- (c) Chief Risk Officer;
 - (d) Company Secretary;
 - (e) a representative of the internal auditor; and
 - (f) General Counsel.
- 3.10** The Committee may extend an invitation to any person to attend all or part of the meeting which it considers appropriate, including any directors or external advisors. In particular, the Committee may extend an invitation to the:
- (a) Chief Information Officer;
 - (b) Office of the Auditor General and external audit contracted firm;
 - (c) Internal Audit Manager or a nominated representative;
 - (d) General Manager – Risk; and
 - (e) Group Financial Controller.
- 3.11** All Board members are invited to attend all Committee meetings and are invited to attend any deep dive sessions held by the Committee.
- 3.12** The Committee must meet with the Auditor General or their designate, or a representative from the external audit contracted firm, for the audit entrance interview and audit exit interview and whenever considered appropriate. Meetings with such persons may be held without members of management being present, whenever it is deemed appropriate by the Chair.
- 3.13** The Committee shall endeavour to hold physical meetings at the offices of the Corporation, however attendance is permitted to be in-person or electronically.

Conduct

- 3.14** Meetings are conducted to allow a full and frank exchange of views by the members.
- 3.15** Members must ensure that a positive Committee culture is maintained and that members adhere to the Corporation's Code of Conduct and values.

Quorum and Voting

- 3.16** The quorum for a Committee meeting is any two Committee members.
- 3.17** A decision supported by a majority of the votes cast at a meeting of the Committee at which quorum is present shall be the decision of the Committee, but the Chair will report the fact of a dissenting vote when reporting the decision to the Board.
- 3.18** The Chair has a casting vote in addition to his or her deliberative vote.

Minutes and Resolutions

- 3.19** The Committee is to ensure that accurate minutes of each meeting of the Committee are recorded and preserved.
- 3.20** Minutes and resolutions of the Committee meetings are kept by the Company Secretary.
- 3.21** Draft minutes must be provided to the Chair for review and approval as soon as reasonably practicable following the Committee meeting.

Confidentiality

- 3.22** All proceedings of the Committees are confidential.

- 3.23 The Committee must keep Committee discussions and papers confidential and must not be disclosed to a third party unless authorised by the Board or required by law or for the purpose of seeking advice as described in clause 4.2.

4. Access to Corporation and Advice

- 4.1 Each Committee member can seek independent expert advice, following consultation with the Board, where a member considers it necessary to carry out their duties.
- 4.2 Committee members have the right to obtain, at their own expense, legal or other professional advice at any time.
- 4.3 Committee members are entitled to rely on information, advice and assurances provided by the CEO and senior management on matters within their responsibility, and on the expertise of independent experts and the Auditor General's representatives, provided that such reliance is made in good faith, they have independently assessed the information and are not aware of any of any reasonable basis upon which to question its accuracy and completeness.
- 4.4 The Committee shall have unlimited access to the records, senior management and the Corporation's information in the possession of management as appropriate. The Committee will also have unlimited access to the Auditor General's representatives and the internal audit contractor as appropriate.

5. Committee performance and succession

Performance

- 5.1 The Board must evaluate the performance of the Committee and its members on an annual basis.
- 5.2 On an annual basis, the Committee must perform a self-evaluation of its performance, having regard to this Charter, and report this to the Board.

Succession

- 5.3 The Board must reconsider the composition of the Committee as appropriate and at least every two years.

6. Disclosure of Interest

- 6.1 Committee members must follow the Corporation's Conflicts of Interest Policy and have an obligation to disclose to the Committee any other interest that the member believes is appropriate to disclose to ensure there is no actual or perceived conflict of interest. Such disclosures are recorded in the minutes of the Committee.
- 6.2 The Corporation maintains a register of declarations of interests.

7. Charter Publication and Review

- 7.1 The latest version of this Charter is made available on the Corporation's website.
- 7.2 Unless review and amendment is required sooner, this Charter must be reviewed by the Company Secretary in conjunction with the Chair at least once every three years.
- 7.3 Committee members may at any time submit to the Chair proposed changes to this Charter for consideration.

7.4 All amendments must be submitted to the Board for approval prior to taking effect.