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## Audit & Risk Committee Charter

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## 1 ROLE

### 1.1 The Role of the Committee

The role of the Audit & Risk Committee (Committee) is to:

- (a) assist the Board to meet its oversight responsibilities in relation to the Company's corporate and financial reporting, compliance with legal and regulatory requirements, internal control structure, risk management framework and processes, and the external audit functions. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, the external auditors, and the management of the Company.
- (b) to provide the Board with advice and recommendations in relation to appropriate ethical standards, corporate governance and an operations governance framework that are integrated into overall business performance.

## 2 DUTIES

### 2.1 Internal Control, Risk Management and Insurance

The Committee will:

- (a) Assist the Board in setting the risk management policy and appetite. This will include the Committee satisfying itself that the risk management framework deals adequately with contemporary and emerging risks (such as conduct risk, cyber security, privacy and data breaches, sustainability and climate change) and encompasses financial and non-financial risks;
- (b) Review the effectiveness of the Company's corporate reporting and internal control policies and its procedures for the identification, assessment, reporting and management of risks;
- (c) Monitor management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board, and make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;
- (d) Review the Company's risk management framework and other internal controls at least annually to satisfy itself that:
  - (i) they are effective to manage material business risks and protection of assets;
  - (ii) the Company has in place appropriate systems and procedures to ensure compliance with all relevant laws, regulations, codes standards and best practice guidelines in order to ensure the Company's risk management framework continues to be sound; and
  - (iii) the Company's risk management framework deals adequately and in all material respects with contemporary and emerging risks;
- (e) Review any material incident involving fraud or a break-down of the Company's risk controls and the "lessons learned";
- (f) Engage as appropriate external auditors (financial and/or non-financial) (**Non-Statutory Auditor**), who acting independently, can provide assurance reports on a periodic basis as determined by the Committee in relation to key focus areas identified by the Company's risk management framework;
- (g) Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- (h) Review the Company's corporate policies, including anti bribery and corruption and

whistleblower and management's compliance with those policies;

- (i) Receive and review reports from management on any significant breach of, or material deviation from, the Company's risk management framework and make recommendations to the Board;
- (j) Review the group's insurance program at least annually having regard to the business and insurable risks associated with the Company;
- (k) Meet regularly with key management, the auditor appointed pursuant to section 327A of the *Corporations Act (2001)* (**External Financial Auditor**) and compliance staff to understand and discuss the Company's control environment; and
- (l) Ensure appropriate disclosures are made regarding any material exposure the Company has to economic, environmental and social sustainability risks.



## 2.2 External Financial Audit

The Committee will:

- (a) Consider and make recommendations to the Board regarding the criteria for selection, appointment, reappointment, termination, remuneration, tenure and terms of engagement of the Company's external auditors, having regard to relevant legislative and regulatory requirements, and will ensure that key partners within the appointed firm are rotated from time to time. The Committee will review any proposal for the External Financial Auditor to provide non-audit services and whether it might compromise the independence of the External Financial Auditor;
- (b) Meet with the External Financial Auditor, other external auditors (if required), post audit at the reporting stage, and will ensure that any auditor's management letters and management's responses are reviewed;
- (c) Meet with the external auditors without management present, as required;
- (d) Ensure there is unfettered access for the external auditors to raise matters directly with the Board or the Committee, including inviting the external auditors to attend the Committee's meetings to present the audit plan, discuss audit results and consider the implications of external audit findings;
- (e) Seek to ensure that the External Financial Auditor attends the Company's annual general meetings and is available to answer questions from shareholders relevant to the audit;
- (f) Consider and make recommendations to the Board regarding the scope of the audit or assurance work, the terms of the annual engagement letter and audit fees, and regularly review the scope and adequacy of the external audit to ensure that it covers all material risks and financial reporting requirements;
- (g) Monitor management's responsiveness to, and appropriate and timely resolution of, the External Financial Auditor's findings and recommendations, including whether there have been any significant disagreements between the External Financial Auditor and management;
- (h) Review all representation letters signed by management and satisfy itself that the information provided is complete and appropriate; and
- (i) Keep under review the Company's relationship with the External Financial Auditor, including (but not limited to):
  - (i) the appointed firm's independence and objectivity;
  - (ii) the appointed firm's adequacy and expertise;
  - (iii) the External Financial Auditor's performance;
  - (iv) the audit or assurance fees;

- (v) the nature and quantum of non-audit services provided by the External Financial Auditor, including the amount of fees paid for such services; and
- (vi) compliance with accounting standards and any proposals which the External Financial Auditor has made.

### **2.3 External Reporting**

The Committee will:

- (a) Oversee the external reporting processes;
- (b) Keep under review the consistency and adequacy of accounting policies (including sustainability accounting policies for non-financial information) both on a year to year basis and across the Company and the Group, as well as any significant estimates and judgments adopted by management in the preparation of external reports;
- (c) Review and challenge where necessary whether the Company's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company taking into account:
  - (i) critical accounting policies and practices and any changes in them;
  - (ii) decisions requiring a major element of judgement used for the preparation of the financial statements;
  - (iii) the extent to which the financial statements are affected by any unusual transactions;
  - (iv) the clarity of disclosures;
  - (v) significant adjustments resulting from the audit;
  - (vi) related party transactions and the adequacy of their disclosure in the financial statements;
  - (vii) the going concern assumption;
  - (viii) compliance with accounting standards;
  - (ix) compliance with securities exchange and other legal requirements; and
  - (x) the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) statements to the Board made pursuant to the requirements of Recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) (the ASX Recommendations);
- (d) Review the processes used by management to monitor and ensure compliance with laws, regulations and other requirements relating to the preparation of accounts and external reports;
- (e) Monitor cost forecasting and collection of information for annual financial reporting purposes;
- (f) Review information from the External Financial Auditor and Non-Statutory Auditor that may affect the quality of financial reports;
- (g) Recommend to the Board whether external reports should be approved;
- (h) Interview or otherwise obtain information from management in relation to:
  - (i) any changes in accounting policies (or sustainability accounting policies for non-financial information) or their application during the reporting period;





- (ii) whether the methods chosen by management are consistent with relevant accounting standards;
- (iii) the methods used to account for unusual transactions, for which there may be no specific accounting standard or sustainability standard, including management's reasoning in determining that method; and
- (iv) the method and process used in making material estimates and judgments, including management's reasoning in determining that method.

## **2.4 Related Party Transactions**

The Committee will:

- (a) Review and monitor related party transactions and investments involving the Company and the Directors;
- (b) Review and recommend to the Board for approval all transactions in which the Company is a participant and in which any parties related to the Company (including its Directors, officers, substantial shareholders, their immediate family members and anyone else the Board considers may be considered related parties of the Company) has or will have a direct or indirect material interest;
- (c) Recommend to the Board for approval only those related party transactions that are in the best interests of the Company and its shareholders, after taking into account all available facts and circumstances and seeking external advice where the Committee considers it necessary or appropriate to do so; and
- (d) Ensure that the Company complies with all laws and regulations about related party transactions.

## **2.5 Reporting Responsibilities**

The Chairperson of the Committee will:

- (a) Report to the Board, at the following Board meeting, on:
  - (i) the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee which require Board endorsement, approval or recommendations; and
  - (ii) any matters which may significantly impact the financial conditions or affairs of the business; and
- (b) Provide the minutes of meetings of the Committee to the full Board.

## **2.6 Governance**

The Committee will:

- (a) review and recommend to the Board for approval the Company's Governance policies;
- (b) monitor and advise the Board of significant developments in applicable Governance laws, regulations and practices;
- (c) review and recommend to the Board for approval the Company's annual Corporate Governance Statement and other Governance disclosures;
- (d) develop, review and monitor Governance key performance indicators; and
- (e) any other duties or responsibilities delegated to the Committee by the Board from time to time.

## **2.7 Other Matters**

The Committee will:

- (a) Be responsible for co-ordination of the External Financial Auditors and for reviewing and



approving the annual audit plans;

- (b) Verify the membership of the Committee and review the independence of each Committee member based on the ASX Recommendations;
- (c) Oversee any investigation of activities which are within its terms of reference;
- (d) On a regular basis, review its own performance and Charter to ensure that it is operating effectively; and
- (e) Promote and monitor an ethical culture throughout the entity.

### **3 COMPOSITION**

#### **3.1 Composition of the Committee**

- (a) The Committee will be appointed by the Board and shall be composed of:
  - (i) at least three, the majority of which will, where practicable, be independent non-executive Directors;
  - (ii) a Chairperson of the Committee, also appointed by the Board, who is one of those independent Directors and who is not the Chairperson of the Board; and
  - (iii) at least one Director who has significant, relevant and recent experience in accounting or related financial management expertise.
- (b) The Board will strive to ensure that Committee members have a working familiarity with general finance and accounting practices and a sufficient understanding of the Company's industry.
- (c) The Committee's composition will be disclosed and reviewed on an annual basis by the Board. However, the Board may, in its discretion, remove and replace any of the Committee's members at any time.

### **4 ATTENDANCE**

#### **4.1 Attendance**

- (a) Members of the Committee, and any other Directors wishing to attend, are entitled to be present at Committee meetings (except in circumstances where there is a conflict of interest).
- (b) At the discretion of the Chairperson, the Committee may extend an invitation to any person to attend all or part of any meeting which it considers appropriate. In particular the Committee may meet with external advisers, any executive or other employee, any other non-executive Director, and may do so with or without management present.
- (c) The CEO, the CFO, the Company Secretary and representative(s) of the External Financial Auditor will normally be invited to attend meetings.

### **5 MEETINGS**

#### **5.1 Frequency**

The Committee will meet at least twice a year, with further meetings as required or determined appropriate by the Committee or the Board. The Committee's meetings will be regulated in accordance with any applicable provisions of the Constitution of the Company.

#### **5.2 Agenda**

The Company secretary (or nominee as secretary to the Committee) will:

- (a) In conjunction with the Chairperson of the Committee and the CFO, settle agendas for and



arrange meetings of the Committee so as to ensure timely coverage of all the Committee's business and specifically the business covered by the current meeting planner;

- (b) Distribute agendas and supporting papers to members of the Committee at least seven (7) days in advance of the relevant meeting; and
- (c) Keep and distribute minutes of each meeting.

### **5.3 Minutes**

Minutes of all meetings of the Committee are to be kept and the minutes and a report of actions taken or recommended shall be given at each subsequent meeting of the full Board.

### **5.4 Quorum**

A quorum shall be any two members or greater number as determined by the Board.

### **5.5 Meetings by Instantaneous Communication Device**

Meetings of the Committee may be held by any instantaneous communication device through which all persons participating in the meeting can hear each other.

## **6 AUTHORITY**

### **6.1 Authority of the Committee**

The Committee is authorised to:

- (a) Resolve, or manage or procure the resolution of, any disagreements between management and the External Financial Auditor regarding the Company's corporate and financial reporting;
- (b) Seek any information, report or explanation it requires from the Company, including to question any employee of the Company and any Director, officer, consultant, contractor, external auditor or any person who for the time being is acting in any of those positions or performing those functions in respect of any matters it considers relevant or incidental to perform its duties;
- (c) Consider and use whatever forum is conducive to producing the appropriate and truthful results of its enquiries having regard to the proper, adequate and competent discharge of its responsibilities and particularly in the interests of verifying and safeguarding the integrity of the Company's corporate and financial reporting;
- (d) Meet with any external auditors "in camera" as it determines;
- (e) Obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter including advice and/or reports in discharging its responsibilities under its Charter; and
- (f) Call any member of staff to be questioned at a meeting of the Committee as and when required and in accordance with applicable laws and regulations.

### **6.2 Employee's Rights**

Notwithstanding clause 6.1, the Committee shall be mindful of, and shall protect, the rights of employees of the Company in the exercise of its powers. In so doing, the Committee may give to any employee any undertaking that it considers necessary, desirable and in the best interests of the Company as a whole. The Committee may also determine that such enquiries are to be conducted "in camera" and may exclude the attendance of any person, except an independent member of the Committee, if it is the Committee's view that this method is necessary, or likely to be necessary, and in the best interest of the Company as a whole.



### 6.3 Extent of powers

The Committee's powers are investigative and advisory only. The Committee will have no power to make determinations on behalf of the Company but will make recommendations to the Board on matters for Board determination.

## 7 REVIEW

### 7.1 Review of this Charter

The Committee's Charter will be reviewed regularly and updated as required or as deemed appropriate by the Board.

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<b>Date adopted:</b>	16 November 2020
<b>Last amendment:</b>	26 July 2021
<b>Last review:</b>	26 July 2021

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