

October 2020

The Board of St Barbara Limited has established an Audit and Risk Committee (the **Committee**). Its function, responsibilities and administration are set out in this Charter.

1. The Role of the Audit and Risk Committee

- 1.1 The role of the Committee is to assist and advise the Board in discharging its responsibilities in relation to:
- Financial reporting and other annual reporting;
 - Risk management;
 - Evaluating the effectiveness of the financial control environment;
 - Review of the internal and external audit functions; and
 - Review of the Mineral Resource and Ore Reserve estimation processes.

2. Membership of the Committee

- 2.1 The Board appoints the Committee members and its Chair.
- 2.2 All members of the Committee shall be Non-Executive Directors, with a minimum membership of three. Members of the Committee shall be independent of Management and free of any conflicts, business or other relationship that could materially interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.
- 2.3 The Chair shall be an independent Non-Executive Director and not the Chairman of the Board.
- 2.4 The Secretary of the Audit and Risk Committee is the Company Secretary.
- 2.5 Other Non-Executive Directors who are not Committee members may attend meetings of the Committee should they wish. The Managing Director & CEO and Chief Financial Officer (**CFO**) shall be invited by the Chair to attend part or all of any meeting of the Committee. Representatives of the external auditor also have a standing invitation to attend Committee meetings, except where the Committee is discussing the external auditor's performance. Selected other executives and managers, and the internal auditors, may attend meetings of the Committee by invitation.
- 2.6 The Board shall review the membership and performance of the Committee annually.

3. Administration

- 3.1 The Committee shall meet at least four times each year on pre-arranged dates scheduled to correspond with the Company's financial reporting cycle, or as often as the Committee members deem necessary in order to fulfil the Committee's responsibilities.
- 3.2 A quorum consists of two members of the Committee.
- 3.3 The CFO shall, in conjunction with the Chair of the Committee and the Managing Director & CEO, settle agendas for and arrange meetings of the Committee. The Chair may, at his or her discretion, ask for a paper on a particular topic to be prepared for consideration by the Committee. The preparation of papers to be presented to the Committee is the responsibility of Management. The agenda and discussion papers should be distributed to the members of the Committee at least one week prior to each meeting.
- 3.4 The Secretary shall be responsible for the minutes of all Committee meetings with draft Committee minutes to be sent to the Chair of the Committee for review, and subsequently to other Committee members, as soon as practicable after each meeting. All Committee minutes shall be entered into a Minute Book maintained for that purpose. The Minute Book shall be available at all times for inspection by any Director.
- 3.5 The Committee may have access to financial, legal or other independent advisers as it reasonably determines.



4. Reporting

- 4.1 The minutes of each Committee meeting shall be included in the Board papers for the next Board meeting following the Committee meeting. The minutes shall include any relevant papers as attachments.
- 4.2 The Chair shall, if requested, provide a brief oral report to the Board on any material matters arising out of the Committee meeting and address any questions raised.

5. Responsibilities

The Committee shall be responsible for the following matters:

5.1. Reviewing financial statements and supporting processes and other annual reporting

- a) Monitoring the structure and performance of the financial reporting and treasury team.
- b) Reviewing the interim and annual financial statements and accompanying ASX announcements and discussing them with the external auditor prior to their release to determine whether they are complete, reflect appropriate accounting principles and contain relevant disclosures. In discharging this responsibility, the Committee shall review and assess:
 - i. the appropriateness of the significant accounting policies adopted by Management in the preparation and presentation of financial statements;
 - ii. whether the Company's financial statements reflect the understanding of the Committee and provide a true and fair view of the financial position and performance of the Company;
 - iii. the scope and outcome of due diligence processes underpinning the financial statements;
 - iv. significant accounting and reporting issues, including the impact on the financial statements of recent accounting and regulatory pronouncements;
 - v. the appropriateness of the accounting judgments or choices exercised by Management in preparing the financial statements, including any significant accounting estimates;
 - vi. the summary of audit differences and management letter recommendations provided by the external auditors, and differences of views if any between Management and the external auditors;
 - vii. the consistency of accounting policies applied and application of new accounting standards; and
 - viii. recommendations to the Board prior to the Board approving the financial statements and preliminary announcements.
- c) Reviewing the Managing Director & CEO and CFO's written certifications in relation to the Company's financial statements and at least annually, the system of internal compliance and controls.
- d) Reviewing other annual compliance reporting such as the corporate governance statement, the Company's annual report and the notice of meeting for the Company's annual general meeting and accompanying ASX announcements to determine whether they are complete, reflect appropriate compliance requirements and contain relevant disclosures.

5.2. External Audit

- a) Establishing a policy for, and recommending to the Board, the appointment, terms of engagement, rotation of external audit personnel on a regular basis, conducting audit tender processes and removal of the external auditor;
- b) Approving the audit plan and audit fees of the external auditor prior to the commencement of statutory audit processes for a given financial year;
- c) Approving the fees payable and nature of non-audit services to be provided by the external auditor including assessing whether the non-audit service may compromise the independence of the external auditor;



- d) Monitoring the performance, effectiveness and independence of the external auditor and confirming that the audit is conducted in accordance with applicable auditing standards and all other relevant accounting policies and standards;
- e) Reviewing the scope, adequacy and quality of audits conducted by the Company's external auditor;
- f) Monitoring the relationship between Management and the external auditor; and
- g) Arranging for the Committee to meet with the external auditor without the presence of Management, at least twice a year.

5.3. Internal Controls

- a) Reviewing the adequacy, effectiveness and appropriateness of the Company's accounting control systems and policies, corporate reporting processes and internal control framework;
- b) Reviewing and evaluating the controls and processes in place to ensure compliance with approved policies, internal controls, and applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- c) Confirming the reliability, integrity and effectiveness of accounting, treasury and hedging policies and financial reporting and disclosure practices;
- d) Approving the appointment, and removal, of the internal auditor including:
 - i. the role, scope, adequacy, nature and suitability of the internal audit function;
 - ii. the independence, objectivity and performance of the internal audit function;
 - iii. the internal audit programme and any changes to it; and
 - iv. the internal audit fees.
- e) Confirming that any internal control recommendations made by the internal or external auditor and approved by the Committee have been implemented by Management on a timely basis;
- f) Reviewing and making recommendations to the Board in relation to any incident involving actual or potential breach of Company policy, actual or potential fraud or other breakdown of the Company's internal controls;
- g) Confirming the system of controls (including information technology system controls) effectively safeguards the assets as recorded in the financial statements of the Company;
- h) Confirm the system of controls in place to secure computer systems and applications and to protect against unauthorised access, fraud or misuse, and the contingency plans for processing financial information in the event of a systems breakdown; and
- i) Confirming that processes are in place such that accounting records are properly maintained in accordance with statutory requirements.

5.4. Mineral Resources and Ore Reserves

- a) Reviewing the processes for, and reporting of, the estimation of Mineral Resources and Ore Reserves of the Company;
- b) Reviewing Mineral Resource and Ore Reserve reports provided to the Committee by the Mineral Resources and Ore Reserves Management Committee and any external reviews undertaken on Mineral Resource or Ore Reserve estimates;
- c) Making an assessment of the competence of the Competent Person who provides the technical information to the Board; and
- d) Meeting with the Competent Persons responsible for Mineral Resource and Ore Reserve estimates to understand:
 - the key assumptions underpinning the Mineral Resource and Ore Reserve estimates;
 - the key risks relating to the Mineral Resource and Ore Reserve estimates;



- any anomalies or concerns relating to the Competent Person's report; and
- any other issues raised by the Competent Person.

5.5. Review of Risk Management

- Evaluating whether Management is setting the appropriate 'control culture' by communicating the importance of internal control and management of risk;
- Gaining an understanding of and review the areas of greatest strategic and operational risk to the organisation and how these are managed;
- Ensuring that Management has appropriate processes and systems for identifying, monitoring, assessing and responding to risks in a manner that is in accordance with the Company's risk appetite, and that those processes are operating effectively in managing significant business risks across the Company's business;
- Reviewing, at least annually, the effectiveness of the Company's Risk Management Framework to verify that the Risk Management Framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
- Considering whether the Risk Management Framework effectively identifies areas of potential, material risk including economic, environmental and social sustainability risks;
- Monitor Management's performance against the Company's Risk Management Framework, including whether it is operating within the risk appetite set by the Board;
- Reviewing any material incident involving fraud or a breakdown of the Company's risk controls and the "lessons learned";
- Receive reports from internal audit on its reviews of the adequacy of the Company's process for managing risk;
- 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;
- Receive reports from Management on material litigation matters involving the Company;
- 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; and
- Considering post implementation reviews on Board approved projects.

5.6. Insurance Program

- Overseeing and reviewing the Company's insurance program at least annually having regard to the Company's business and the insurable risks associated with the Company's businesses.

5.7. Tax Governance

- Reviewing the adequacy, effectiveness and appropriateness of the Company's tax affairs and governance including internal compliance, tax controls and all other requirements relating to the preparation and lodgement of tax returns both in Australia and overseas;
- Overseeing the reliability, integrity and effectiveness of the Company's tax reporting, recording and management of tax issues both in Australia and overseas;
- Reviewing the Company's tax management and compliance program as part of the Company's six (6) monthly statutory accounts process having regard to the Company's tax obligations both in Australia and overseas;
- Monitor Management's performance against the Company's Tax Management Framework, including ongoing taxation compliance, reporting and appropriate escalation of tax risks to the Board, with due regard to the tax risk appetite set by the Board.



6. Decision Making Authority

- 6.1 This Committee is a review and advice committee. This Committee has no decision making authority on behalf of the Company and the Board and holds no delegated authorities from the Board except where decision making authorities are expressly stated in this Charter.
- 6.2 Express decision making authorities include:
- approving the audit plan and audit fees of the external auditor (paragraph 5.2 (b));
 - approving the appointment, removal, fees and scope of work of the internal auditor (paragraph 5.3 (d)); and
 - authority to engage and authorise expenses for independent counsel and other external consultants or specialist advisors as the Committee deems necessary or appropriate to perform its duties.

7. Review

- 7.1 The Board shall review the Charter of the Committee when required, but ordinarily once every two calendar years, to determine its adequacy for current circumstances.
- 7.2 When necessary the Board may by resolution alter the responsibilities, the functions or the membership of the Committee. The Committee may also recommend to the Board the formal adoption of a revised Charter to improve the effect and the efficiency of the Committee.

Date of previous formal review	June 2017
Date of this review	October 2020
Date of next review	October 2022