



Audit Committee Charter

1 Overview

The Board of NCR Resources Ltd ACN 060 352 990 (the **Company**) has established an Audit Committee (the **Committee**) to consider specific matters and make recommendations to the Board in respect of financial risks arising from the activities of the Company and its subsidiaries (the **Group**).

The Board may also delegate specific responsibilities to ad hoc committees from time to time.

This Charter sets out the role, responsibilities, composition and structure of the Committee.

2 Role and Responsibilities

2.1 Role of the Committee

The primary role of the Committee is to assist the Board to carry out the following:

- (a) review and oversee its responsibilities with regard to the Group's financial risk management systems, policies, practices and plans, internal control and regulatory compliance, specific to financial related activities;
- (b) review and monitor the integrity of the Group's consolidated financial reports and statements;
- (c) oversee the process for identifying significant financial risks facing the Group and implement appropriate control, monitoring and reporting mechanisms;
- (d) liaise with and monitor performance and independence of the external auditor;
- (e) monitor the Group's culture and gauge how it is aligned with financial market integrity and the reputation and brand of the Group; and
- (f) report the results of its activities to the Board.

Whilst the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct risk management activities.

It is the responsibility of the Committee to maintain free and open communication with management, as appropriate.

2.2 Responsibilities of the Committee

The responsibilities of the Committee are outlined below:

(a) Financial Reporting

In assisting the Board (and without limiting its scope), the Committee will review and make recommendations to the Board in relation to:

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- significant financial accounting and reporting issues;
- whether the Group's financial statements reflect the understanding of the Committee, and otherwise provide a true and fair view of, the financial position and performance of the Group;
- the appropriateness of the accounting judgements or choices exercised by management in preparing the Group's financial statements and whether the financial statements are compliant with accounting standards and policies and other requirements relating to their preparation;
- meet with management and the external auditor to review the financial statements, key accounting policies and decisions, and the results of the audit, including significant adjustments, unadjusted differences and any difficulties encountered or unresolved disagreements with management;
- completeness and appropriateness of representation letters signed by management;
- declarations made by the Chief Financial Officer, in respect of the financial report and financial records; and
- the information contained in ASX announcements is consistent with published financial information, and is balanced and transparent.

(b) External Audit

In assisting the Board (and without limiting its scope), the Committee will in regards to the external audit function, undertake the following:

Appointment

- Provide an annual recommendation to the Board on the appointment, reappointment or termination of the external audit firm.
- Where appropriate, recommend to the Board on extending the external audit engagement partner rotation period from 5 years up to a maximum of 7 years.

Engagement

- Review and agree the terms of engagement, including fee, of the external auditor at the commencement of each audit.
- Review the scope of the external audit with the auditor, including identified areas of risk, and additional procedures, if required.
- Ensure access to the Chair of the Committee when required.
- Review the auditor's findings and management's responsiveness thereto, discussing with the auditor any matters involving disagreement whether resolved or otherwise.
- Discuss any difficulties encountered in the audit, including any restriction on audit scope or access to information.

- Meet separately with the external auditor at least once a year, to discuss matters that the audit committee or auditor believes should be discussed privately.

Independence

- Assess the auditor's independence, taking into account factors which may impair the auditor's judgement in audit matters related to the Group, including but not limited to:
 - (1) the provision of, and policies on, non-audit services by the auditor (if any);
 - (2) the fees for audit and non-audit services (if any) provided by the external auditor on a regular basis;
 - (3) the rotation of audit partners;
 - (4) the employment of former employees of the auditor in the Company;
 - (5) the external auditor's own statement on independence;
 - (6) the overall economic importance of the Company to the auditor; and
 - (7) any other information from the external auditor setting out its relationships with the Company or any other party.

Attendance at Annual General Meeting

- Make sure that that external auditor attends the Group's Annual General Meeting and is available to answer any questions from shareholders relevant to the audit.

(c) Internal Control and Risk Management

In assisting the Board (and without limiting its scope), the Committee will:

- review and assess the performance, objectivity, independence and effectiveness of the Group's systems of risk management, internal compliance and control;
- review and assess the effectiveness and efficiency of the Group's risk management systems so that risks are identified and that appropriate risk management systems are in place;
- understand the processes management has implemented for managing insurable risks and, if applicable, self-insurance, including assessing the adequacy of insurance cover;
- review any periodic risk management reports prepared by the executive management and risk owners; and
- review the operational contingency planning systems within the Group to ensure risks and critical systems are identified and that appropriate contingency plans are in place.

(d) Legal and Regulatory Compliance

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Without limiting its scope, the Committee will, in conjunction with the Board, use all reasonable endeavours to ensure the Group:

- complies with relevant statutory and regulatory obligations;
- complies with internal policies and procedures; and
- reviews regular reports from management in relation to the Group's compliance with its statutory, regulatory and other key obligations and matters as they arise.

(e) **Fraud**

In assisting the Board (and without limiting its scope), the Committee will:

- review and assess that management systems provide for and support as appropriate the reporting of all actual and suspected breaches of laws, including fraud and theft;
- ascertain whether fraud risks have been included in the assessment of the risk profile of the Group;
- enquire of management and the external auditor regarding their assessments of the risk of material misstatement in the financial report due to fraud, including the nature, extent and frequency of such assessments;
- obtain representations from management that all known instances of actual, suspected or alleged fraud have been disclosed to the Committee; and
- ensure the Group has fulfilled its fraud reporting obligations, if any.

(f) **Other responsibilities**

In assisting the Board (and without limiting its scope), the Committee will:

- undertake assignments, special projects and investigations, as directed by the Board;
- report regularly to the Board about Committee activities and make appropriate recommendations; and
- ensure the Board is aware of matters that may significantly affect the financial condition or affairs of the Company.

3 Committee Composition

3.1 Membership

The members of the Committee and Committee Chair are appointed by the Board.

The ASX Corporate Governance Council recommends that the Committee be structured as follows:

- (a) the committee has at least three members;
- (b) all members should be non-executive directors;

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- (c) the majority of directors are to be independent; and
- (d) the Committee Chair is to be independent and not the Chair of the Board.

As the current Board comprises a majority of non-independent directors, the Committee composition does not currently adhere to the ASX guideline (c) above. The Board will continue to assess the composition of the Committee with respect to any changes to the composition of the Board.

The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board or the Committee from time to time.

If a Committee member retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint any successor.

3.2 Qualifications

Each Committee member should have appropriate skills, knowledge and experience of the Group's business.

The Committee, as a whole, should have an appropriate mix and balance of relevant skills, knowledge and experience.

Each Committee member must have working familiarity with general finance and accounting practices. At least one member of the Committee must have accounting or related financial management expertise.

3.3 Meetings

The Committee will meet as frequently as required to undertake its role effectively but must, at a minimum, meet four times a year. The Committee Chair will call a meeting of the Committee if requested by any member of the Committee, the external auditor or the Chairman of the Board. Special meetings may be convened as required.

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

Proceedings of all meetings will be minuted and kept by the Company Secretary. The minutes shall be signed by the Committee chair, and distributed to all Committee members and tabled at the next Board meeting for noting.

The Committee may invite other persons to its meetings as it deems necessary (e.g. the Chairman and other Board members, representatives of the external auditor and/or other external advisor).

At the end of each reporting period the Group will report on the number of times the Committee met throughout the period and the individual attendances of Committee members.

4 Access to information

4.1 Company Information and Personnel

The Committee is granted unrestricted access to all information of the Group and shall have right of access to:

- all records;
- all levels of management; and

- the external auditors.

Any Committee member may communicate directly with employees of the Group but such communications are to be conducted with regard to the efficient operation of the Group and the need to preserve and maintain an effective chain of command and confidentiality in respect of the deliberations of the Board.

All communications of a material or sensitive nature must be facilitated by the Committee Chair.

4.2 Independent Professional Advice

If a director wishes to seek independent professional advice at the Company's expense, they must obtain the permission of the Chairman. When doing so, the director should provide the Chairman with:

- the reason for seeking the advice;
- the name of the person from whom the advice will be sought; and
- a quote from that person for the provision of the advice contemplated.

Upon receipt of the required information, the Chairman:

- must not unreasonably withhold permission to obtain the advice; and
- must inform the Board of the request as soon as possible.

Advice obtained at the Company's expense under these provisions must be made available to the Company.

5 Review

The Company Secretary, in conjunction with the Committee, will conduct an annual review of the Charter to ensure that it continues to reflect the current processes and guidance utilised when assessing the integrity of the Group's financial reporting.

The Board will approve any amendments to this Charter.

The Committee undertakes an annual self-assessment of its performance to confirm that all activities listed in the Charter have been addressed, and reports this information to the Board.

6 Publication of the Charter

This Charter is made available to all directors and staff of the Group and published on the Group's website.