



**AUDIT, RISK & CORPORATE
GOVERNANCE COMMITTEE
CHARTER**

**MAXIMUS RESOURCES LIMITED
ACN 111 977 354**

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MAXIMUS RESOURCES LIMITED AUDIT, RISK AND CORPORATE GOVERNANCE COMMITTEE CHARTER

PART 1 – PRELIMINARY

1. Introduction

The Board of Maximus Resources Limited (**Company**) has established an Audit, Risk and Corporate Governance Committee (**Committee**). The purpose for which the Committee has been established and the powers of the Committee are set out in this document.

This Charter governs the operations of the Committee. The Committee shall review and reassess this Charter at least annually and obtain the approval from the Board of Directors.

2. Role and Objectives

- 2.1 The primary role of the Committee is to report and provide appropriate advice and recommendations to the Board on matters relating to the Company in the areas of operational and balance sheet risk, financial and accounting reporting practices, the independence of the external auditors, internal controls, risk management, corporate governance principles and legal/regulatory compliance.
- 2.2 The advice and recommendations are provided to assist the Board in its decision making process in relation to audit, risk and corporate governance.
- 2.3 The overriding objective of the Committee is to provide an independent and objective review of financial, risk, governance and other information prepared by management, in particular that to be provided to members and/or filed with regulators.

3. Membership of the Committee

- 3.1 Unless otherwise determined by the Board, the Committee comprises a minimum of two non-executive directors. It is intended that a majority of the Committee at any time will be independent directors such that they are 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 judgment.
- 3.2 The Board will review and appoint members of the Committee as and when appropriate. The Board will act in accordance with this Charter and will comply with the responsibilities of the Committee.
- 3.3 The Chairman of the Committee should be an independent director who will be appointed by the Board.
- 3.4 The composition of the membership of the Committee must satisfy the gender diversity requirements established in the Company's diversity policy.

- 3.5 Other non-executive directors who are not Committee members may attend meetings of the Committee should they wish. Selected members of management may attend meetings of the Committee by invitation.
- 3.6 All persons appointed to the Committee will be financially literate (able to read and understand financial statements) and have sufficient financial knowledge and understanding to allow them to discharge their responsibilities.
- 3.7 The Board will review the membership and charter of the Committee annually, in accordance with paragraph 10.

PART 2 – RESPONSIBILITIES & FUNCTIONS

4. Overview

The Committee's key responsibilities and functions are to:

- 4.1 oversee the Company's relationship with the external auditor (including forming a policy on the provision of non-audit services and the rotation of external auditor personnel on a regular basis) and the external audit function generally;
- 4.2 oversee the adequacy of the control processes in place in relation to the preparation of financial statements and reports;
- 4.3 oversee the adequacy of the Company's financial controls and systems;
- 4.4 oversee the process of identification and management of business, financial and commercial risks; and
- 4.5 Assess the effectiveness of the Company in managing its risks; and
- 4.6 Assess and oversee the Company's corporate governance framework.

5. Audit

- 5.1 The Committee's specific function in relation to audit, is to review and report to the Board that:
 - 5.1.1 the system of control, which management has established, effectively safeguards the assets of the Company;
 - 5.1.2 processes are in place such that accounting records are properly maintained in accordance with statutory requirements; and
 - 5.1.3 processes exist to reasonably guarantee that financial information provided to investors and the Board is accurate and reliable.
- 5.2 The following are intended to form part of the normal procedures for the Committee's audit responsibility:
 - 5.2.1 recommending to the Board the appointment and removal of the external auditors and reviewing the terms of engagement;

- 5.2.2 approving the audit plan of the external auditors;
- 5.2.3 monitoring the effectiveness and independence of the external auditor;
- 5.2.4 obtaining assurances that the audit is conducted in accordance with the Auditing Standards and all other relevant accounting policies and standards;
- 5.2.5 providing recommendations to the Board as to the role of the internal auditor/internal audit function, if any;
- 5.2.6 reviewing and appraising the quality of audits conducted by the Company's external auditors and confirming their respective authority and responsibilities;
- 5.2.7 monitoring the relationship between management and the external auditors;
- 5.2.8 evaluating the adequacy, effectiveness and appropriateness of the Company's administrative, operating and accounting control systems and policies;
- 5.2.9 reviewing and evaluating controls and processes in place to ensure compliance with approved policies, controls, and with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- 5.2.10 overseeing the Company's financial reporting and disclosure processes and the outputs of that process;
- 5.2.11 determining the reliability, integrity and effectiveness of accounting policies and financial reporting and disclosure practices; and
- 5.2.12 reviewing (in consultation with management and external auditors) the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports and approving all significant accounting policy changes.

6. Risk and Compliance

- 6.1 The Committee's specific function with respect to risk management and compliance is to review and report to the Board that:
 - 6.1.1 the Company's ongoing risk management program effectively identifies all areas of potential risk;
 - 6.1.2 adequate policies and procedures have been designed and implemented to manage identified risks;
 - 6.1.3 a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
 - 6.1.4 proper remedial action is undertaken to redress areas of weakness.

- 6.2 The following are intended to form part of the normal procedures for the Committee's compliance and risk management responsibility:
- 6.2.1 evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks;
 - 6.2.2 evaluating the adequacy and effectiveness of the Company's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors;
 - 6.2.3 evaluating the structure and adequacy of the Company's business continuity plans;
 - 6.2.4 evaluating the structure and adequacy of the Company's own insurances on an annual basis;
 - 6.2.5 reviewing and making recommendations on the strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies;
 - 6.2.6 overseeing the establishment and maintenance of processes to ensure that there is:
 - (a) an adequate system of internal control, management of business risks and safeguard of assets; and
 - (b) a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control;
 - 6.2.7 evaluating the Company's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
 - 6.2.8 overseeing the proper evaluation of the adequacy and effectiveness of the Company's legal compliance control systems; and
 - 6.2.9 providing recommendations as to the propriety of related party transactions.

7. Corporate Governance

- 7.1 The Committee's specific function with respect to corporate governance is to:
- 7.1.1 assist the Board to adopt appropriate corporate governance policies while meeting applicable corporate governance requirements including those arising under the *Corporations Act*, ASX Listing Rules and other regulatory standards;
 - 7.1.2 annually review the Company's corporate governance framework including the Board Committees, their charters and operation;
 - 7.1.3 review the Company's corporate governance statement annually;

- 7.1.4 assist the Board by conducting the appropriate and necessary inquiries into the backgrounds and qualifications of candidates to fill the positions on the Board as they arise;
- 7.1.5 consider questions of possible conflict of interest arising for Directors, review existing behavior and ethical guidelines for Directors;
- 7.1.6 consider compliance with the Code of Conduct Policy by officeholders;
- 7.1.7 consider, on a continuing basis, the ongoing education of the Board and members of management in relation to matters of corporate governance; and
- 7.1.8 make recommendations to the Board in relation to all of the above.

PART 3 – ADMINISTRATIVE MATTERS

8. Meetings

- 8.1 It is intended that the Committee will meet at least 2 times each year, or as often as the Committee members deem necessary in order to fulfill their role and objectives set out in this Charter.
- 8.2 Except as set out in this Charter, the Committee is subject to the Board's general policy for engaging or seeking advice from financial and legal advisers.
- 8.3 The Company Secretary will attend all Committee meetings as minute secretary. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

9. Reporting

- 9.1 It is intended that a report of the actions of the Committee and/or a copy of the minutes of the Committee meeting will be circulated to all directors of the Board through inclusion in the Board papers for the Board meeting next following a meeting of the Committee.
- 9.2 The Chairman will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

10. Review

The Board will meet at least once in each year to:

- 10.1 review the membership and charter of the Committee to determine its adequacy for current circumstances. Where necessary, the Board, upon the recommendation of the Committee or otherwise, may by resolution alter the responsibilities, functions or membership of the Committee. The Committee may also recommend to the Board the formal adoption of a revised charter for future operations of the Committee; and

- 10.2 oversee the preparation of any report or other disclosures to be included in the Company's annual report or other communications to shareholders relating to the external auditors and the Company's financial statements.