



## COMET RIDGE LIMITED

### RISK COMMITTEE CHARTER

#### **Background and Purpose**

The Risk Committee (the Committee), is a committee constituted by the Board, comprising representatives of the Board and staff providing independent and objective reviews, advice and assistance to the Board in developing policy and assessing risk factors associated with the operations of Comet Ridge Limited (the Company).

In undertaking such assessments, the Committee shall be mindful of the Board's Annual Review in which an analytical review is undertaken of all the Company's operational, corporate, legal, regulatory and financial risk exposures. The Risk Committee should submit a report on its risk reviews to the Board prior to that Annual Review. The Annual Review shall incorporate a presentation to the Board by the Risk Committee.

Consistent with the Company's determined appetite for risk, the Committee is to assist the Board to understand risks, which may adversely affect the Company's performance.

#### **Role of the Risk Committee**

- 1) To ensure the development of an appropriate risk management policy framework having regard to the Company's risk appetite and tolerance, that will provide guidance to directors and senior executives in implementing appropriate risk management practices throughout the Company's operations, practices and systems.
- 2) Conduct an annual review of the Company's risk management policy framework to satisfy itself that this continues to be sound and to determine whether there have been any changes in the material risks the Company faces and to ensure that these risks are being appropriately managed and mitigated.
- 3) The Committee will give particular emphasis to overseeing the Company's environmental risk management and occupational health and safety processes, as these are particularly relevant for an exploration company in the conduct of its operations.
- 4) The Committee is to assist the Board so as to enable it to confirm in the Company's Annual Corporate Governance Statement that it has in consultation with the Committee undertaken a review of the Company's risk management framework as well as the Company's overall risk profile and satisfied itself that the risk management framework is satisfactory for the Company's needs.

- 5) To ensure that the committee clearly communicates the Company's risk management philosophy, policies and strategies to directors, senior executives, employees, contractors and appropriate stakeholders.
- 6) To ensure that directors and senior executives establish a risk aware culture which reflects the Company's risk policies and philosophies.
- 7) To review methods of identifying broad areas of risk and set parameters or guidelines for business risk reviews.
- 8) Review the implementation of the Risk Management Policy framework in order to assess compliance and the effectiveness of the same.

### **Composition of the Risk Committee**

The Risk Committee is a committee of the Board and should comprise at least four members in total, one of whom should be an independent director of the Company. A Secretary of the Committee will be appointed from the members of the Committee.

Given the operational focus of the Company at least one member should have significant operational and industry experience. To satisfy this objective the Managing Director will be one of the designated members with operational and industry experience. In addition, the Chief Operating Officer (or designate) should be an appropriate appointment as the second member with that experience.

The members of the Risk Committee shall be appointed by the Board and shall continue in that position until they retire from the Committee or are otherwise removed by the Board. Members terms of appointment can be specified by the Board (if the Board chooses) and the Board shall make changes, as appropriate, and as it deems fit.

The Chair of the Risk Committee shall be appointed by the Board. The Chair of the Committee must be a director of the Company and where practicable an independent director. The Chair of the Committee should also not be the Chair of the Board. An Acting Chair may also be appointed in the same manner.

Company personnel may attend Committee meetings as and when requested to do so by the Risk Committee's Chair. These attendees may take part in the business of and discussions at, the meeting but have no voting rights.

Any of the Company's Directors may attend Committee meetings at any time, with or without notice but shall not have any voting rights.

### **Meetings**

- 1) Meetings shall be held as frequently as circumstances may require for it to undertake its role, but not less than three times a year. A quorum shall be two members one of which must be the Managing Director of the Company or in the event of the Managing Directors absence for more than 30 days or that role being vacant, a director of the Company.
- 2) Meetings are called by the Secretary of the Committee or at the request of the Chairman of the Committee.
- 3) Minutes of all meetings of the Committee are to be kept.
- 4) Unless varied by the terms of this Charter the Committee meetings will be governed by the same rules, as set out in the Company constitution, as they apply to the meetings of the Board.
- 5) The Board, if it chooses, may refer an identified issue to the Committee, for analysis and resolution.
- 6) The Committee will undertake an annual review to assess the adequacy of its Charter, its performance and composition and report to the Board any changes or recommendations that it believes should be made or implemented.

### **Resources**

- 1) The Company is to provide the Committee with sufficient resources to undertake its duties.
- 2) The Committee is authorised by the Board to investigate any activity within the terms of reference of this Charter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 3) The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

### **Reporting Procedures**

- 1) The Secretary shall once approved by the Chair, circulate the minutes of Committee meetings to all members of the Committee. Minutes of each meeting of the Committee are to be included in the papers for the next full Board meeting next following the Committee meeting.

- 2) The Chair of the Risk Committee shall report on Committee deliberations and recommendations to the next full Board meeting.
- 3) The Chair of the Risk Committee shall be responsible for the preparation and submission of reports to the Board when such reports are deemed necessary by the Risk Committee.
- 4) The Chair of the Risk Committee must brief the Board promptly on all urgent and significant matters

### **Guidance Changes**

The Board shall review the Committee's Charter as required or as a result of new laws or regulations, and make any necessary changes so as to ensure that it remains consistent with the Boards strategic objectives and responsibilities.

Adopted by the Board of Directors on the 24<sup>th</sup> of May 2019



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James McKay  
Chairman  
**Comet Ridge Limited**