

# RISK MANAGEMENT & COMPLIANCE COMMITTEE CHARTER



## ROLE

1. The Board of Directors (**Board**) is responsible for reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance at Minara Resources Limited (**Company**) and its subsidiaries (**Group**).
2. The role of the Risk Management & Compliance Committee (**Committee**) is to assist the Board in:
  - (a) monitoring and reviewing material business risks identified by Management;
  - (b) its oversight of the establishment and implementation of the Group's risk management and internal control system;
  - (c) its holistic focus on material business risks;
  - (d) the Group's compliance with applicable legal and regulatory requirements;
  - (e) clarifying the role of management in relation to risk management;
  - (f) its review of management's reporting on the effectiveness of managing material risks; and
  - (g) monitoring the independence of directors.

## MEMBERSHIP

3. The Committee will comprise at least three members, all of whom must be non-executive directors. The Chairman of the Board, whilst able to be a member of the Committee may not be the Chairman of the Committee.
4. Members of the Committee shall be appointed for an initial three-year term of office after which their appointment may be subject to annual rotation.

## RESPONSIBILITIES

5. The Committee shall monitor, review the effectiveness of and where necessary recommend improvements to:
  - (a) the Group's processes and procedures for identifying, assessing, treating and monitoring managing risks that are material to the achievement of the Group's financial and business objectives;
  - (b) the Group's processes and procedures for identifying and managing risks associated with the legitimate interests of stakeholders, employees, creditors and others in the community;
  - (c) arrangements for the protection of the Group's ownership of intellectual property and other intangible assets;
  - (d) policies and practices for detecting, reporting and preventing fraud and other serious breaches of business conduct, such as whistle blowing procedures that support reporting to the Committee, including the Group's Whistleblower Policy;
  - (e) the Group's policies, processes and procedures for ensuring compliance with all relevant regulatory and legal requirements;
  - (f) the Group's policies, processes and procedures for identifying and managing health, safety, environmental and community risks;
  - (g) the Group's compliance with applicable health, safety, environment and community legal and regulatory requirements; and
  - (h) the Group's systems for the management of issues relating to directors' independence.
6. The Committee shall regularly review the Group's risk profile and any material changes to those risks which may impact on the Company's business and actions taken by the Company to mitigate those risks.
7. The Committee shall seek written assurance from the Chief Executive Officer and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to reducing financial reporting risks.

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8. The Committee shall ensure that there is public disclosure of the Group's risk management policies and procedures and corporate governance systems and controls.
9. Management shall:
  - (a) identify and document the material business risks faced by the Group;
  - (b) prioritise and rank the risks based on an agreed definition of "materiality";
  - (c) identify the control measures in place to address any risks identified;
  - (d) develop and implement treatment plans to address control gaps; and
  - (e) report appropriately as to the effectiveness of the Group's management of its material risks,and provide regular reports to the Committee.

## COMMITTEE PROCEDURES

10. The Company Secretary shall be appointed Secretary of the Committee.
11. Meetings shall be held as frequently as required but at least twice a year.
12. Any Committee member or the Secretary may call a meeting of the Committee.
13. Any person may be invited to attend meetings of the Committee. All directors of the Company have a standing invitation to attend meetings of the Committee. The Chief Financial Officer will generally attend meetings as an observer
14. All meetings of the Committee shall be governed by the provisions of the Company's Constitution.
15. A quorum of the Committee shall be two members.
16. The Committee is authorised by the Board to investigate any matter within the scope of its responsibility and will provide recommendations to the Board based on the outcome of its investigations.
17. The Committee shall have the authority to seek any information it requires from any office or employee of the Group and such officers or employees shall be instructed by the Board to respond to such enquiries.
18. The Committee is authorised to take such independent professional advice as it considers the necessary, at the Group's cost, to assist the Committee in undertaking its duties.
19. The Chairman of the Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting.
20. The minutes of all Committee meetings shall be circulated to members of the Board.
21. The Chairman shall submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings. The report shall address all matters relevant to the Committee's role and responsibilities.

Approved by the Board of Directors on 21 November 2007 and reviewed and amended by the Board on 25 February 2010.