



Saracen Mineral Holdings Limited

Audit Committee Charter

A. FUNCTION

This Charter sets out the role, responsibilities, structure and processes of the Audit Committee of **Saracen Mineral Holdings Limited** (the 'Company').

The function of the Audit Committee is to assist the Board in fulfilling its responsibilities by reviewing:

- the financial information that will be provided to shareholders and the public;
- the integrity and quality of the Group's financial statements and disclosures;
- the systems of internal financial controls that the Board and management have established to identify and manage areas of significant risk; and
- the Group's auditing, accounting and financial reporting processes.

In carrying out its responsibilities the Audit Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:

- obtain independent professional advice in the satisfaction of its duties at the cost of the Group; and
- have such direct access to the resources of the Group, as it may reasonably require, including management and the external and internal (as applicable) auditors.

The Committee acts primarily as an advisory body to the Board and may make recommendations to the Board. The Committee does not, as of itself, have the power or authority of the Board in dealing with the matters on which it advises except where certain powers are specifically set out in this Charter or are otherwise delegated by the Board.

B. COMPOSITION

The Audit Committee shall comprise three non-executive Directors, the majority of whom are considered to be independent. The Board will determine each Director's independence having regard to any past and present relationships with the Group which, in the opinion of the Board, could influence the Director's judgment.

Unless otherwise determined by the Board, at least one member of the Committee shall have accounting or related financial / management expertise.

The Chair of the Committee is to be selected by the Board and shall be an independent Director.

A quorum for Committee Meetings is two members of the Audit Committee. The Committee may invite members of the management team to attend the Meetings and to provide information as necessary.

C. MEETINGS

The Committee shall meet as circumstances require.

The Group's Managing Director, Company Secretary, Chief Financial Officer, other senior financial management, external auditor and internal auditor (as applicable) shall be available to attend all Meetings.

As part of its responsibility to foster open communication, the Committee should meet separately with management, the external auditor and the internal auditor (as applicable) in private session, at least annually.

Audit Committee Minutes will be confirmed at the following Meeting of the Committee.

D. REPORTING

The key matters discussed at each Committee Meeting are to be ordinarily reported by the Chair of the Committee to the Board at the next Board Meeting. The report should include all matters relevant to the Committee's role and responsibilities including:

- Review of the Group's financial statements;
- An assessment of whether external reporting is in compliance with statutory responsibilities;
- An assessment of management processes in supporting external statutory reporting;
- Recommendations for selection, appointment or removal of an external auditor;
- An assessment of the performance and independence of the external and internal auditors (as applicable); and
- Other matters that require Board action or approval.

E. RESPONSIBILITIES

The Board and the external auditor are accountable to the shareholders. The Audit Committee is accountable to the Board. The internal auditor (as applicable) is accountable to the Audit Committee and the Managing Director.

To fulfill its responsibilities the Committee shall:

a) Financial reporting and internal financial controls:

- a) Review with management and the external auditor the Group's financial statements in respect of each half year and full year.
- b) Review with management and the external auditor the accounting policies and practices adopted by the Group and compliance with accounting standards, ASX Listing Rules and relevant legislation.
- c) Discuss with management and the external auditor management's choice of accounting principles and material judgments, including whether they are aggressive or conservative and whether they are common or minority practices.
- d) Recommend to the Board that the Group's financial statements reviewed by the Committee for each half year and full year be approved and signed on behalf of the Board.
- e) Review the declarations made by the Managing Director and CFO (or equivalent) in relation to the financial statements, financial records and systems regarding compliance with the Corporations Act and the Principles of Good Corporate Governance and Best Practice Recommendations of the ASX Corporate Governance Council.
- f) Review reports to the Committee prepared by the internal auditor (as applicable) including the effectiveness of the Group's internal financial controls.

b) External audit:

- a) If and when necessary, recommend to the Board the appointment of an external auditor to be proposed to shareholders.
- b) Review with the external auditor the planned scope of their audit and subsequently their audit findings including any internal control recommendations.
- c) Periodically consult with the external auditor without the presence of management about the quality of the Group's accounting principles, material judgment and any other matters that the Committee deems appropriate.
- d) Review the performance of the external auditor, including their independence and objectivity.
- e) Review the external audit plans and monitor any changes in scope.
- f) Review reports by the external auditor outlining all of its professional relationships with the Group including the provision of services that may affect their objectivity or independence.
- g) Review and discuss with the external auditor all significant relationships they have with the Group to determine their independence.

- h) Monitor adherence to the policy regarding provision of non-audit services, including approval of certain non-audit services which may be provided by the external auditor. In this regard, the external auditor should not provide services that have the potential to impair the independence of their audit role. The external auditor, however, is permitted to perform other non-audit services that are not, and are not perceived to be, in conflict with their audit services.

c) Internal audit (as applicable):

- a) Recommend to the Board the appointment or dismissal of the internal auditor.
- b) Review the qualifications, organisation, strategic focus and resourcing of internal audit.
- c) In conjunction with the Managing Director, review the performance of the internal auditor, including their independence and objectivity.
- d) Review the internal audit plans and monitor any significant changes in scope.
- e) Review reports by the internal auditor outlining all of its professional relationships with the Group including the provision of services that may affect their objectivity or independence.
- f) Periodically consult privately with the internal auditor about any significant difficulties encountered including restrictions on scope of work, access to required information or any other matters that the Committee deems appropriate.

F. OTHER MATTERS

The Audit Committee shall review this Charter at least annually and if appropriate, recommend changes to the Board. The Committee shall also perform any other activities consistent with this Charter that the Committee or Board deem appropriate.

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