

## **1. INTRODUCTION**

The Board of Directors of West African Resources Limited (**Company**) (**Board**) has established a Risk Committee to assist the Board in ensuring that the Company's risks are effectively managed (**Committee**). This is the charter for the Committee. References in this charter to the "**Group**" mean the Company and its controlled subsidiaries.

## **2. OBJECTIVE AND AUTHORITY**

- (a) The objective of the Committee is to make recommendations to help the Board fulfil its responsibilities regarding risk management.
- (b) The Committee is accountable to the Board and shall only act within the authority delegated to the Committee by the Board.
- (c) The Committee shall not perform any management functions or assume any management responsibilities.

## **3. MEMBERSHIP**

The Board will appoint the members of the Committee and the chair of the Committee (**Chair**), and may remove and replace members of the Committee and the Chair at its sole discretion. In doing so, the Board may consult with the Nomination Committee to enable the following Committee composition:

- (a) three (3) or more members, with the aim of having at least four (4) members;
- (b) two (2) or more members being non-executive directors of the Company; and
- (c) the Chair of the Committee being an independent non-executive director of the Company.

## **4. MEETINGS**

### **4.1 Frequency of meetings**

- (a) The Chair will aim to convene at least two (2) meetings of the Committee each year and any that the Chair considers necessary or appropriate to carry out the Committee's responsibilities.
- (b) Other supplemental meetings may be held from time to time as determined by the Committee.
- (c) The Chair may decide to hold a supplemental meeting upon request from:
  - (i) a member of the Committee;
  - (ii) a member of the Company's executive management; or
  - (iii) the Company's independent auditor.

### **4.2 Meeting notices, minutes and administration**

- (a) A person will be nominated by the Board to act as the secretary of the Committee.

- (b) Meetings, meeting notices, meeting minutes and other administrative duties related to the Committee will be organised by the Committee's secretary, in accordance with any directions from the Chair.
- (c) A notice of meeting shall be sent to each member of the Committee prior to the date of the meeting.
- (d) Each notice of meeting shall aim to:
  - (i) set out the date, time and venue of the meeting; and
  - (ii) be accompanied by an agenda for the meeting and relevant supporting papers.
- (e) The directors of the Company who are not members of the Committee, the Chief Executive Officer, Chief Financial Officer, Company Secretary and other senior executives of the Company may be invited to Committee meetings at the discretion of the Committee.
- (f) Other suitably qualified persons may be invited to attend Committee meetings or be consulted by the Committee from time to time to render such specialist services as may be necessary to assist the Committee in its deliberations on any matter.
- (g) Minutes of the proceedings and resolutions of the meetings of the Committee shall be distributed to all members of the Committee and the chair of the Board, after the Chair has given preliminary approval of those minutes.

#### **4.3 Proceedings at meetings**

- (a) Two (2) Committee members, one of which must be an independent non-executive director of the Company, present in person or via telecommunication facilities shall constitute a quorum for a Committee meeting.
- (b) Where the Chair is not present the other Committee members present at the meeting shall elect one of them, who must be an independent non-executive director of the Company, to chair that meeting.
- (c) A meeting of the Committee may be conducted by electronic communication and/or one or more members may participate in a meeting of the Committee by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the Committee meeting.
- (d) Each member of the Committee has one (1) vote on a matter before the Committee, and a majority of the votes cast on a proposed resolution is sufficient for a recommendation be made to the Board in terms of that resolution.
- (e) In the case of a tied vote the Chair may not cast a deciding vote in addition to their deliberative vote even if the matter being voted on fails.
- (f) A written resolution of members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that each member has received notice of the matter to be decided upon and the majority of the members are in favour of the matter. A written resolution may be executed in any number of counterparts and will have the

same effect as if the signatures on the counterparts were on a single copy of the written resolution.

- (g) No attendee who is not a member of the Committee shall have a vote at meetings of the Committee, nor shall he or she form part of the quorum for the meeting.

## 5. RESOURCES AND INFORMATION

- (a) Where the Committee considers it necessary or appropriate to fulfil its responsibilities, the Committee will be entitled to:
  - (i) unrestricted access to liaise and communicate with the directors, management, employees, independent auditors and outside consultants and advisors (including legal) of the Group;
  - (ii) select and engage an external adviser or external service provider that is independent; and
  - (iii) reasonable access to the information, including reports and records, of the Group, and to the Group's property, facilities and other resources, as may be necessary to discharge its duties and responsibilities.
- (b) The Committee shall follow any relevant Board approved process in discharging any of its duties and responsibilities.

## 6. DUTIES AND RESPONSIBILITIES

- (a) The specific ongoing responsibilities of the Committee to the Board include:
  - (i) reviewing a formal risk assessment for the Group undertaken by executive management at least once a year including:
    - (A) reviewing and assessing the Group's Enterprise Risk Management (**ERM**) process, including the risk identification and assessment methodologies;
    - (B) reviewing the register of the Group's key/significant risks including for completeness and changes;
    - (C) reviewing the risks identified on a qualitative basis, according to probability and impact;
    - (D) reviewing the controls identified for the significant risks as to their expected effectiveness and associated plans for tracking and mitigation; and
    - (E) reviewing whether appropriate resources are directed towards identified areas of significant risk;
  - (ii) reporting to the Board any material changes and/or divergence to the risk profile of the Group to ensure the Board understands the significant risk exposures;
  - (iii) periodically reviewing the Group's insurance and other risk transfer arrangements; and
  - (iv) periodically reviewing the Group's Financial Authority Policy and delegated financial authority limits.

- (b) The Board may assign further specific responsibilities to the Committee from time to time to assist the Board in undertaking its responsibilities with respect to risk management and corporate governance.

## **7. CONDUCT OF COMMITTEE MEMBERS**

Each member of the Committee is expected to:

- (a) act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct;
- (b) avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict;
- (c) disclose any information they may be aware of that is material to the Company and of which the Board is not aware, except and to the extent that such member is bound by ethical or contractual obligations of non-disclosure;
- (d) keep all information learned by them, in their capacity as a Committee member strictly confidential;
- (e) exhibit the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the Company and having their general knowledge, skill, and experience; and
- (f) have an appropriate understanding of all applicable laws, regulations, ASX Listing Rules and codes to the extent they are relevant to the Company and its businesses, to ensure compliance with the same in relation to those matters that are within the responsibility of the Committee.