

RISK COMMITTEE CHARTER

The Board will establish a Committee of the Board to be known as the Risk Management Committee.

1. ROLE

The role of the Risk Management Committee is to use all reasonable endeavours to support and assist the Board of Directors to recognise and monitor all risks arising from the Company's activities.

The primary responsibility of the Risk Management Committee is to oversee the company's risk management systems, policies, practices and plans on behalf of the board and report the results of its activities to the Board.

Whilst the Risk Management Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Risk Management Committee to plan or conduct risk management activities.

It is the responsibility of the Committee to maintain free and open communication between the Committee and executive management, as appropriate.

2. MEMBERSHIP

The Committee will comprise of at least three directors including at least one non-executive director. The Chairman of the Committee is to be an independent non-executive director and is to be appointed by the Board. All nominated Directors are to attend Committee meetings.

The Committee may seek the counsel of an expert at any time and may do so in accordance with clause 6 of this Charter.

3. MEETINGS

The Committee should meet at least two times a year and shall plan not to meet in the same quarter as the Audit Committee. However, additional meetings may be requested by any Committee member.

A quorum for a Committee meeting is when at least two members are present.

Committee meetings will be governed by the same rules as they apply to the meetings of the Board. Minutes of all meetings of the Committee are to be kept by the Company Secretary.

Executive management and technical personnel are to attend such portion of the Committee meetings as requested by the Chairman of the Committee to provide required reports and presentations to the Committee.

4. RESPONSIBILITIES

4.1 Understanding the Business

The Committee will use all reasonable endeavours to understand the Company's business and operations in order to assess whether the financial and operating risks faced by the Company have been identified and appropriate mitigation plans have been implemented.

4.2 Health and Safety

In assisting the Board (and without limiting its scope), the Committee will use all reasonable endeavours in:

- Reviewing the processes in place so that safety is a priority at all Company operational sites;
- Reviewing the processes in place which are designed so that there is compliance with all safety and occupational health related legal and regulatory requirements;
- Reviewing the operational and personnel related risk management processes within the Company which are designed so that all high safety risks are identified and that appropriate risk management processes are in place;
- Reviewing the operational and personnel related contingency planning processes within the Company which are designed so that all high safety risks are identified and that appropriate contingency plans are in place;
- Monitoring the adequacy of safety reporting systems for actual or potential accidents, breaches and incidents; and
- Monitoring subsequent safety investigations and remedial actions.

4.3 Environment

In assisting the Board (and without limiting its scope), the Committee will use all reasonable endeavours in:

- Reviewing the processes in place which are designed so that there is compliance with all environment related legal and regulatory requirements;
- Reviewing the environmental risk management processes within the Company which are designed so that all high environmental risks are identified and that appropriate risk management processes are in place;
- Reviewing the environmental related contingency planning processes within the Company which are designed so that all high environmental risks are identified and that appropriate contingency plans are in place;
- Monitoring the adequacy of environment reporting systems for actual or potential accidents, breaches and incidents; and
- Monitoring subsequent investigations and remedial actions.

4.4 Community

In assisting the Board (and without limiting its scope), the Committee will use all reasonable endeavours in:

- Reviewing the processes in place which are designed so that the Company properly manages community relationships;
- Reviewing the processes in place which are designed so that there is appropriate responsibility to communities affected by the Company's operations and where necessary remedial action is taken; and
- Monitoring relevant community perceptions of the Company and effects of the consequences of the Company's activities.

4.5 Financial Risk Management

Without limiting its scope, the Committee will ensure management has established and operates a financial risk management system which is designed to identify, assess, monitor and manage financial risk. The Committee will liaise with the Audit Committee, where appropriate, in relation to financial risk management.

4.6 Operational Risk Management

Without limiting its scope, the Committee will use all reasonable endeavours in overseeing the operational risk management system which is designed to identify, assess, monitor and manage operational risk.

In assisting the Board, the Committee will use all reasonable endeavours in:

- Reviewing the operational risk management process within the Company so that all high risks are identified and that appropriate risk management processes are in place;
- Liaising with the Audit Committee so that all high risks within the Company are identified and that appropriate risk management processes (including contingency plans) are in place;
- Reviewing any periodic risk management reports prepared by the executive management and risk owners; and
- Reviewing the operational contingency planning processes within the Company to ensure all high risks and critical systems and processes are identified and that appropriate contingency plans are in place.

4.7 Business Risk Management

Without limiting its scope, the Committee will ensure management has established and operates a risk management system which will:

- Establish an overall profile of the risks of the Company;
- Assess the potential consequences and likelihood of the risks;
- Rank the risks in accordance with their likely impact;
- Assess the acceptability of each identified risk;
- Consider and agree upon actions to eliminate, reduce or manage each material risk;
- Assign responsibilities for risk management;
- Establish a process for monitoring and reviewing the Company's risk profile, in particular when any of the Company's business circumstances change;
- Present to the Board at least half-yearly, the overall results of this assessment and update this as required; and
- Periodically review the effectiveness and suitability of the risk management system.

4.8 Legal and Regulatory Compliance

Without limiting its scope, the Committee will, in conjunction with the Board and Audit Committee, use all reasonable endeavours so that the Company complies with:

- All relevant statutory and regulatory obligations; and
- All internal policies and procedures.

5. REPORTING

The Committee is to report on its meetings to the Board and also whenever major health, safety, environment or community issues arise. Such reports may be either verbal or in writing. The committee will also provide the minutes of the Meeting to the Board for information.

All recommendations of the Committee are to be referred to the Board for approval.

6. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Committee has the authority to seek any information it requires from any Group employee and all employees must comply with such requests.

In carrying out their functions, the Committee Members may take such independent legal, technical or other advice considered necessary, at the reasonable expense of the Company. Unless a conflict exists or to do so would be inconsistent with the Committee's duties, the Committee is to request such information, professional advice or assistance permitted under this clause 6 via the Chairman.

The Committee must approve fees for independent advice where amounts are in excess of budget parameters.

7. COMMITTEE PERFORMANCE

To determine whether it is functioning effectively, the Committee shall:

- Review this Charter annually; and
- Undertake an evaluation of its performance at intervals considered appropriate by the wider Board.