

Energy Developments Limited

Audit and Risk Committee Charter

Role

The Audit and Risk Committee (**Committee**) is a committee of the Energy Developments Limited (**Company**) Board of Directors (**Board**). The Committee's role is to assist the Board in the effective discharge of the Board's responsibilities for:

- integrity of the Company's financial statements.
- risk management processes and effectiveness, including insurance.
- internal control processes and their effectiveness.
- external and internal audit.
- compliance with applicable legal and regulatory obligations.

Composition

- **Membership:** Minimum of three directors.
- **Independence:** The members of the Committee must be non-executive directors, the majority of whom are independent non-executive directors.
- **Qualifications:** Members must have sufficient business, industry and financial expertise to act effectively as members of the Committee, as determined by the Board. At least one member must have accounting or related financial management expertise, as determined by the Board.
- **Chair:** The Chair of the Committee is to be an independent non-executive director, nominated by the Board, and cannot be the Chairman of the Board.
- **Secretary:** The Company Secretary is to act as Secretary of the Committee.

Responsibilities and Duties

The Committee's responsibilities and duties are to oversee, review, consider and report to the Board (with recommendations where appropriate), on the following matters:

Financial Statements

- the half-year and full-year financial statements of the Company. The Committee is to make recommendations to the Board regarding the adoption of these financial statements.
- the reasonableness of significant estimates and judgements in the Company's financial statements, including by making enquiries of management and the external auditors.
- the appropriateness of the Company's material accounting policies and procedures and all changes to them.

External Audit

- the appointment of a suitably qualified external auditor, and external auditor partner rotation.
- the Company's relationship with the external auditors, including independence, objectivity, quality and adequacy of service provided.
- external audit scope, processes and plans, external audit engagement letter terms, and external audit fees.
- external auditor reports and any material issues arising.

Internal Audit

- internal audit scope, processes and plans.
- the overall effectiveness of the internal audit function, including independence, objectivity, quality and adequacy of internal audit work.
- internal auditor reports and any material issues arising.

Risk and Risk Management

- the Company's overall risk profile and framework, risk assessment process, methodology, identification and mitigation actions. The Committee is to make recommendations to the Board regarding appropriate levels of risk for the Company.
- the implementation of an appropriate system of identifying, assessing, monitoring and managing material risk in the Company with the objective of seeking to reduce and manage risks consistent with levels approved as being appropriate for the Company by the Board.
- the effectiveness of the Company's risk management system and relevant internal control systems.
- the implementation of the Company's risk management system and framework, and any areas requiring further consideration or improvement.
- the Company's insurance requirements and the adequacy of the Company's insurance program.

Internal Controls

- the adequacy and effectiveness of the Company's internal controls.
- the implementation of the Company's internal controls, and any areas requiring further consideration or improvement.

Compliance

- the overall assessment of the development and ongoing review of appropriate legislative and regulatory compliance programmes where applicable.
- reports from Company management regarding legislative and regulatory compliance and any material issues arising.

Other Matters

- other matters as may be referred to the Committee by the Board from time to time.

Authority

In carrying out its responsibilities and duties, the Committee has the authority to:

- discuss any issue within the scope of its responsibilities and duties directly with management, internal auditors or the external auditors.
- request and be provided with reports, explanations and information of any of the activities, procedures or accounts of the Company from management.
- obtain external legal or other professional advice if the Committee considers it necessary or appropriate.

Where the internal auditor is an employee of the Company, the Committee has a direct line of communication with the internal auditor so that the internal auditor will report administratively to the Managing Director and functionally to the Committee Chairman.

Other Matters

Charter

- The Committee reviews and reassesses this Charter at least annually, and recommends any changes it considers appropriate to the Board.

Annual Review

- The Committee conducts an annual performance review of the Committee and report its findings to the Board.

Meetings

- The Committee is to meet at least four times per year. Special meetings may be called by the Chairman, and other Committee members may request a special meeting through the Chairman.
- The Committee may issue specific or standing invitations to the internal auditor and Company management to attend all or an appropriate part of a Committee meeting.
- The Committee may meet with the internal auditor or the external auditor without management.
- All Directors receive Committee papers and have a standing invitation to attend Committee meetings.
- Minutes of the meetings of the Committee are included in the papers for the next regularly scheduled Board meeting.