

# Risk Management Committee Charter

Australian Strategic Materials Ltd ACN 168 368 401 (Company)

## 1. Composition

The Risk Management Committee shall be structured so that it has at least five members, including the Managing Director/Chief Executive Officer and at least one independent non-executive director, and be chaired by an independent director.

From time to time, non-Risk Management Committee members may be invited to attend meetings of the Risk Management Committee, if it is considered appropriate.

## 2. Role

The Risk Management Committee is established to oversee the Company's System of Risk Management.

The role of the Risk Management Committee is to review and make recommendations to the Board in relation to:

- a. the adequacy of the Company's processes for managing risk;
- b. the policies and procedure that have been established and implemented to identify, assess, monitor and manage material business risks;
- c. any incident involving fraud or other break down of the Company's internal controls;
- d. the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business; and
- e. perform such other functions as assigned by law, the Company's Constitution or the Board.

The Risk Management Committee is also responsible for managing the process of identification and assessment of any material risks that may impact the Company and ensuring that a regular program of audit is undertaken to test the adequacy of, and compliance with, prescribed policies and procedures.

## 3. Operations

The Risk Management Committee meets at least at least three times per year with further meetings on an as required basis. Minutes of all meetings of the Risk Management Committee are to be kept, and a report of actions taken or recommended is to be given at each subsequent meeting of the full Board. Risk Management Committee meetings will be governed by the same rules, as set out in the Company's Constitution as they apply to the meetings of the Board.

## 4. Responsibilities

Annual responsibilities of the Risk Management Committee are as set out in the Risk Management Committee Charter – annual action points (attached).

## 5. Authority and resources

The Company is to provide the Risk Management Committee with sufficient resources to undertake its duties.

The Risk Management Committee has rights of access to management. The Risk Management Committee has the power to conduct or authorise investigations into any matters within the Risk Management Committee's scope of responsibilities. The Risk Management Committee has the authority, as it deems necessary or appropriate, to obtain independent expert advice on any matter they believe appropriate, with the approval of the Board.

## 6. Reporting to the Board

The Risk Management Committee is to report to the Board following each meeting of the Risk Management Committee on the results of the Committee's review of risk management and internal control systems. The Risk Management Committee must inform the Board of any matter which may significantly impact upon the Company in a timely manner.

The Risk Management Committee is to report to the Board, on the following matters:

- f. all matters relevant to the Risk Management Committee's role and responsibilities as set out in this Risk Management Committee Charter;
- g. outcomes from the annual assessment of the Company's System of Risk Management;
- h. the results of the Risk Management Committee's review of this Risk Management Committee Charter;
- i. comment on the Risk Management Committee's operation and composition;
- j. outcomes and recommendations from the review of company-level risks (minimum one at each meeting); and
- k. escalate material changes to the Company's material risk profile.

## 7. Review of Charter

The Risk Management Committee will review this Risk Management Committee Charter at least annually, and update it as required.

## RISK MANAGEMENT COMMITTEE CHARTER – ANNUAL ACTION POINTS

### Risk management

- Evaluate the adequacy and effectiveness of the Company's System of Risk Management.
- Challenge the completeness of the Company's material risk profile and internal controls.
- Evaluate material changes to the Company's material risk profile, including any material exposure to environmental or social risks.
- Ensure adequate disclosure of material business risks is included in the Annual Financial Report.
- Ensure that a regular program of audit is undertaken to test the adequacy of, and compliance with, prescribed policies and procedures.
- Agree an action plan to address areas of perceived risk and monitor implementation programs.
- Review and make recommendations on the strategic direction, objectives and effectiveness of the Company's risk management policies.

### Internal communications and reporting

- Provide the report described in clause 6 of this Risk Management Committee Charter.
- Ensure the Board is fully aware of matters which may significantly impact the financial conditions or affairs of the business.

### Other

- Verify the composition of the Risk Management Committee function is in accordance with the Risk Management Committee Charter.
- Review and update the Risk Management Committee Charter and Action Points.

## ANNEXURE B: ASM RISK COMMITTEE ANNUAL ACTIVITIES PLAN

ACTIVITIES:	JANUARY	FEB	MARCH	APR	MAY	JUNE	JUL	AUGUST	SEP	OCT	NOVEMBER	DEC
Committee Meetings			23/03 Melbourne			14/06 virtual		29/08 virtual			14/11 virtual	
Corporate reports	31/01 Quarterly Report  Sustainalytics ESG report		HY Directors Report	30/04 Quarterly Report		UN Global Compact report	30/07 Quarterly Report	1. FY23 Material Risk Report 2. FY23 Annual report (incl Director's report)		31/10 Quarterly Report		
Risk reviews			1. HSE risk 2. Risks with RRR 35-55 escalation			1. ESG risk 2. Risk tbc 3. Risks with RRR 35-55 escalation		1. Risk tbc 2. FY23 Company Risk Profile			1. Risk tbc 2. Risk tbc 3. Risks with RRR 35-55 escalation	
Emerging risk			Discussion			Discussion		Discussion			Discussion	
ABC breaches			As required			As required		As required			As required	
Statutory obligations: Risk disclosures								Material Business Risks Disclosure				
Risk appetite								Review and recommend to the Board				
System of Risk Management			Implementation Progress update			Implementation Progress update		Implementation Progress update			Evaluate effectiveness and recommend to the Board	
Risk Committee charter											Review and recommend to the Board	
Strategic risk						Identify and recommend to Board						
Policies/Standards review and approve			As required			As required		As required			As required	