

# AUDIT AND RISK COMMITTEE CHARTER

## 1. Terms of reference

### 1.1 Remit

The primary purpose of the Committee is to oversee and make recommendations to the Board in relation to the Company's financial position, the adequacy of the Company's performance and reporting processes, the establishment and performance of internal and external audit functions and the effectiveness of the Company's systems of risk identification, management and mitigation.

## 2. Scope

### 2.1 External Audit

The scope of the Committee's external audit remit will include, but not be limited to:

- (a) recommending selection, removal (as appropriate) and remuneration of the external auditor and to monitor the external auditor's independence;
- (b) providing instruction to the external auditor including ensuring the scope and adequacy of the external audit;
- (c) overseeing the availability of any assistance as reasonably required by the external auditor;
- (d) receiving external auditor's preliminary audit or review reports;
- (e) overseeing and monitoring implementation of external auditor's recommendations (as accepted);
- (f) ensuring that the external audit approach covers all financial statement areas where there is a perceived risk of material misstatement; and
- (g) in monitoring the external auditor's independence, the Committee will have regard to any legislative or regulatory requirements, and the following principles:
  - (i) ensuring that the external audit engagement partner is rotated at least every five years with at least two years expiring before that partner can again be involved in the audit of the Company unless there are compelling reasons to extend the engagement of that partner for not more than an additional two successive years;
  - (ii) monitoring the number of former employees of the external auditor who were involved in auditing the Company and who are currently employed in senior financial positions in the Company, and assess whether this impairs or appears to impair the external auditor's judgement or independence in respect of the Company. An individual who was engaged by the external auditor and participated in Company's external audit shall be precluded from employment as CEO or CFO of the Company for a period of at least 12 months from the time of the audit;
  - (iii) considering whether taken as a whole, the various relationships between the Company and the external auditor and the economic importance of the Company (in terms of fees paid to the external auditor for the audit as well as fees paid to the external auditor for the provision of non-audit services) to the external auditor impair or may appear to impair the auditor's judgement or independence in respect of the Company;

# AUDIT AND RISK COMMITTEE CHARTER

- (iv) ensuring that the Company does not engage its external auditor for certain non-audit services (e.g. bookkeeping, financial information systems design, valuations, actuarial services, internal audit outsourcing, human resources and audit non-related legal/expert services) where such work, or the aggregate of such works, or the fees therefrom, may otherwise prejudice or compromise the external auditor's independence; and
- (v) meeting with the external auditors without the presence of management.

## 2.2 Internal Audit

The scope of the Committee's internal audit remit will include, but not be limited to:

- (a) overseeing and monitoring the scope and adequacy of the Company's internal controls and compliance requirements to assure integrity in the Company's operations and affairs;
- (b) making recommendations to the Board in relation to the appointment or removal of the internal auditor;
- (c) approving and ensuring resourcing of the internal audit function, as appropriate, including budgetary allocation for staffing and external consulting support (as necessary); and
- (d) reviewing and assessing the performance and objectivity of the Company's internal audit function, as applicable.

## 2.3 Financial statements and reporting generally

The scope of the Committee's financial statements and reporting generally remit will include, but not be limited to:

- (a) overseeing the adequacy of the Company's corporate reporting processes;
- (b) overseeing whether the Company's financial statements reflect the understanding of the Committee members and whether in their opinion they provide a true and fair view of the financial position and performance of the Company;
- (c) reviewing, the appropriateness of relevant accounting judgements or choices exercised by management in preparing the financial statements;
- (d) overseeing and monitoring the application of accounting policies and reporting of financial information to security holders, regulators and generally; and
- (e) reporting on these matters to the Board, with recommendations as appropriate.

The Committee has the authority to access information and interview and consult with Company personnel, the external auditor, the internal auditor and to consult any independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit (with or without management present).

## 2.4 Risk function

The scope of the Committee's remit will include, but not be limited to:

- (a) **Risk management:**

# AUDIT AND RISK COMMITTEE CHARTER

- (i) making recommendations to the Board as to the approval of new policies, or amendments to existing policies, for identifying and managing, mitigating, transferring risk including in accordance with the Company’s risk management framework;
  - (ii) making recommendations to the Board as to the approval of new policies, or amendments to existing policies, for business continuity and crisis planning risk management;
  - (iii) receiving ongoing risk management reports, including reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
  - (iv) monitoring management’s performance against the Company’s risk management framework, including whether it is operating within the risk appetite statements adopted by the Board; and
  - (v) reviewing the Company’s risk management framework standards and management processes at least annually to allow the Committee to satisfy itself that they are sound and making recommendations to the Board as to appropriate amendments.
- (b) **Insurance:**
- (i) reviewing and ensuring the Company carries appropriate levels of insurance; and
  - (ii) reviewing and monitoring terms of insurance policies.
- (c) **Generally:**
- Reviewing and reporting on these matters to the Board, with recommendations as appropriate, including as to:
- (i) the adequacy of the Company’s processes for managing risk;
  - (ii) any incident involving fraud or other material breakdown of the Company’s internal controls; and
  - (iii) the Company’s insurance program, including having regard to the Company’s business and the insurable risks associated with its business.

The Committee has the authority to access information and interview and consult with Company personnel, the external auditor, the internal auditor and to consult any independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit (with or without management present).

## 2.5 Generally

The Committee may be requested by the Board to perform other related tasks to the above audit function and risk function.

## 3. Governance

### 3.1 Establishment of the Committee

# AUDIT AND RISK COMMITTEE CHARTER

- (a) The Committee is established under the authority of the Board.
- (b) The composition, terms of reference, functions and procedures of the Committee may be amended from time to time by the Board including on recommendation of the Committee.
- (c) The Committee should be of sufficient size and independence to discharge its mandate effectively, including appropriate diversity of membership to avoid entrenching unconscious bias.

## 4. Membership of the Committee

To be able to effectively discharge the Committee's mandate, Committee members between them should have:

- (a) accounting and financial expertise;
- (b) knowledge or experience in risk management and/or insurance;
- (c) necessary technical knowledge; and
- (d) sufficient understanding of the Company's business and the industry in which it operates.

### 4.1 Chair

- (a) The Committee Chair shall chair meetings of the Committee.
- (b) In the absence of the Committee Chair, the Committee will elect another to chair meetings of the Committee.

### 4.2 Committee Secretary

The Company Secretary (or nominee) will fulfil the usual corporate secretarial role for the Committee. The Committee may exclude the Company Secretary from attendance at relevant Committee meetings or parts of meetings where issues of potential conflict or confidentiality arise, at which times a member of the Committee itself will be designated to attend to that function.

### 4.3 Meeting procedures

- (a) The Committee shall meet at least 4 times annually, or as required, on dates and times agreed by the members, or as called by the Committee Chair or at least 2 Committee members.
- (b) As far as possible, Committee agendas and supporting papers must be distributed to Committee members a reasonable period in advance of the meeting.
- (c) A quorum shall comprise at least 50% of members of the Committee, but in any event not less than 2 members.

### 4.4 Decision making

- (a) Preferably decision making and resolutions of the Committee are by consensus.
- (b) In the case of the need for formal voting, each member of the Committee including the Committee Chair shall have one vote, and in the case of equality of voting the Committee

# AUDIT AND RISK COMMITTEE CHARTER

Chair shall have a casting vote in addition to his or her deliberative vote.

## 4.5 Minutes

- (a) Minutes of each Committee meeting shall be prepared by the Company Secretary, settled by the Committee Chair and distributed to each member of the Committee promptly following the relevant meeting.
- (b) The minutes of each Committee meeting are to be submitted to the next following meeting of the Board for noting or for deliberation upon matters specifically referred by the Committee to the Board.
- (c) The minutes of each Committee meeting are to be submitted to the next succeeding meeting of the Committee for their formal approval by the Committee as a fair and correct record of proceedings and signing by the Committee Chair.
- (d) Minutes of each Committee meeting must be recorded in the Company's corporate secretarial records in compliance with any applicable regulatory requirements.

## 4.6 Power, authority and external advice

The Committee has the power and authority to do all things necessary or incidental in the proper performance of its role including authority to access information and to consult with and interview Company personnel and to take external professional advice as necessary and appropriate.

## 4.7 Reporting (periodic)

The Committee, through the Committee Chair, shall report in summary to the Board at the next Board meeting after each Committee meeting. The report should include but not be limited to:

- (a) material issues arising at the meeting of the Committee and any formal resolutions; and
- (b) any matters at in the opinion of the Committee should be brought to the attention of the Board.

## 5. Definitions

**Board** means the board of directors of the Company.

**Board Chair** means the chair of the Board.

**CEO** means the chief executive officer of the Company.

**CFO** means the chief financial officer of the Company.

**Charter** means this Audit and Risk Committee Charter, as amended from time to time.

**Committee** means the Company's audit and risk committee described in section 1.1 of this Charter.

**Committee Chair** means the chair of the Committee.

**Company** means Consolidated Copper Corp (IBC 234418).

# AUDIT AND RISK COMMITTEE CHARTER

**Company Secretary** means the company secretary of the Company.

**Director** means a director of the Company.

## 6. Related documents

Board Charter.

## 7. Approval and review

This document is to be reviewed annually by the Audit and Risk Committee and the Board.

Version	Document Category	Date	Status	Document Owner	Reviewer	Approver	Approval Date
1.0	Board	10.05.23	Approved and Adopted	Chief Legal Officer	Board	Board	10.05.23