

**SolGold Plc (the "Company")**  
**Audit and Risk Management Committee**  
**Terms of Reference**

**Committee Members**

The Board has established an Audit & Risk Management Committee (**A&R Committee**).

The A&R Committee, where practical or otherwise required, is to consist of the following:

- a minimum of three members, of which:
  - a. if the Company has three or more non-executive Directors, only non-executive Directors may constitute the Committee; or
  - b. if the Company does not have not three or more non-executive Directors, the Board may, in addition to two non-executive Directors, appoint an executive Director to the Committee;
- a majority of Independent Directors; and
- an Independent Chairperson.

Each member of the A&R Committee is to be financially literate and at least one member of the Committee is to have recent and relevant accounting or related financial management experience.

As at the date of this Audit & Risk Management Committee Charter (**A&R Charter**), the members of the A&R Committee are:

- (1) Liam Twigger (as Chairperson);
- (2) Brian Moller; and
- (3) Dr Robert Weinberg.

The Chief Financial Officer, Company Secretary and representatives of the auditors are normally expected to attend meetings of the A&R Committee upon invitation.

**Purpose**

The A&R Charter sets out the role, responsibilities, composition, authority and membership requirements of the A&R Committee of the Company.

Key features of the A&R Charter will be outlined in the Annual Report.

The A&R Charter is available to shareholders of the Company via the website.

**Definition and Objectives of the Committee**

The A&R Committee is a Committee of the Board.

The A&R Committee's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company by:

## **Audit Related**

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them prior to their approval by the Board;
- reviewing the Company's internal financial controls;
- monitoring and reviewing the effectiveness of the Company's internal audit function;
- reviewing the scope and results of both the external and internal audits;
- monitoring corporate conduct and business ethics, including auditor independence and ongoing compliance with laws and regulations;
- maintaining open lines of communication between the Board, Management and the external auditors, thus enabling information and points of view to be freely exchanged;
- reviewing matters of significance affecting the financial welfare of the Company;
- ensuring that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate;
- reviewing the Company's internal financial control system;
- considering the appointment, re-appointment, removal, remuneration and terms of engagement of the external auditor and making recommendations to the Board in respect of the same;
- monitoring and reviewing the external auditor's independence, objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements; and
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services by the external audit firm and reporting to the Board in respect of the same.

## **Risk Related**

- ensuring the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems;
- defining and periodically reviewing risk management as it applies to the Company and clearly identify all stakeholders;
- ensuring the A&R Committee clearly communicates the Company's risk management philosophy, policies and strategies to Directors, Management, employees, contractors and appropriate stakeholders;
- ensuring that Directors and Management establish a risk aware culture which reflects the Company's risk policies and philosophies;
- reviewing methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;

- reviewing the Company's internal control and risk management systems and making informed decisions in respect of the same;
- considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities; and
- implementing and reviewing arrangements by which Directors, Management, employees and contractors may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

## Reporting

Proceedings of all meetings of the A&R Committee are to be minuted and signed by the Chairperson of the A&R Committee and then circulated to the Board as part of the reports outlined below.

The A&R Committee, through its Chairperson, is to report to the Board at the earliest possible Board meeting after each A&R Committee meeting (each report shall constitute a **Periodic A&R Report**). Each Periodic A&R Report shall include, but is not limited to:

- the minutes of the relevant A&R Committee meeting and any formal resolutions put at that meeting;
- if applicable, information about the audit process including the results of any internal and external audits;
- if applicable, procedures for the selection and appointment of the external auditor and for the rotation of external audit partners;
- if applicable, recommendations for the appointment or removal of an auditor;
- any determination by the Committee relating to the independence of the external auditor and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
- an assessment of the performance and objectivity of the internal audit function;
- results of its review of risk management and internal compliance and control systems; and
- any matters that in the opinion of the Committee should be brought to the attention of the Board and any recommendations requiring Board approval and/or action.

In addition to the Periodic A&R Reports, the Chairperson of the Committee must submit an annual report to the Board (at the Board meeting at which the year end financial statements are approved), summarising the Committee's activities during the year (**Annual A&R Report**). The Annual A&R Report (and where appropriate, any interim report) shall include, but is not limited to:

- a summary of the A&R Committee's main authority, responsibilities and duties;
- to the extent requested by the Company, biographical details of the Committee's members, including expertise, appointment dates and terms of appointment;
- member and related party dealings with the Company;
- details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member of the A&R Committee;
- if applicable, an explanation for any departures by the A&R Committee from the UK Corporate Governance Code and such other codes or guidelines to which the Company may have regard from time to time;

- if applicable, details of any change to the Independent status of each member during the relevant period; and
- details of any determination by the A&R Committee regarding the external auditor's independence.

### **Risk Management Policies**

The A&R Committee will ensure that the necessary controls are in place for risk management policies to be maintained by:

- devising a means of analysing the effectiveness of risk management and internal compliance and control system and of the effectiveness of their implementation; and
- reviewing, at least annually, the effectiveness of the Company's implementation of the risk management system.

### **Attendance at Meetings**

- Other Directors (executive and non-executive) have a right of attendance at meetings of the A&R Committee. However, no Director is entitled to attend that part of a meeting at which an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director (Interested Director) is being investigated or discussed.
- If in the opinion of the A&R Committee, their investigation or discussion will be assisted by hearing from the Interested Director, the A&R Committee may invite that Interested Director to address the A&R Committee. The A&R Committee will give fair consideration to that address. The Interested Director will not, however, be invited to take part in the deliberations following that address.

### **Access**

- The A&R Committee shall have unlimited access to the external and internal auditors, and to senior Management of the Company and any subsidiary. The A&R Committee shall also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees shall be instructed by the Board to cooperate fully in provision of such information.
- The A&R Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the A&R Committee consulting an independent expert will be borne by the Company.

### **Application of Standing Rules**

The Standing Rules for Committees apply to and are deemed to be incorporated into this A&R Charter, save where the Standing Rules conflict with any of the terms in this A&R Charter.