



AUDIT, RISK & COMPLIANCE COMMITTEE CHARTER

BELL RESOURCES LIMITED



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1. INTRODUCTION

The Board of Bell Resources Limited (including its controlled entities) (together “**the Board**” for collectively “**the Company**”) have established an Audit, Risk & Compliance Committee (“**Committee**”).

The purpose, members, responsibilities and powers of the Committee are set out in this Charter.

2. PURPOSE

The Board has responsibility for:

- (a) the initial appointment and recommendation of the appointment for approval by security holders of external auditors;
- (b) approving the remuneration of external auditors;
- (c) defining the scope of the external audit function;
- (d) reviewing the control environment and audit, compliance and risk management resources, structures and process and approving any changes;
- (e) approving the definition of significant audit and compliance issues, reviewing significant audit and compliance issues and considering and approving action and remediation plans;
- (f) reviewing major risks that the Bell Resources Limited is, or is likely to be, exposed to; and
- (g) approving risk management strategies.

The Board has established the Audit, Risk & Compliance Committee:

- (a) to assist the Board in discharging its responsibilities as set out above;
- (b) with the terms of reference set out in section 3; and
- (c) with the delegated authority set out in section 8.

The Committee will work in conjunction with other Board committees to assist the Board to fulfil its responsibility to security holders and other stakeholders to ensure the Bell Resources Limited has and maintains appropriate corporate governance procedures.



3. COMMITTEE ROLE AND RESPONSIBILITIES

The key role and responsibilities of the Committee includes:

(a) Risk

- i. reviewing and making recommendations on the Company's risk profile, including identifying, assessing and prioritising the Company's key operational and strategic risks and key risk indicators, and reviewing reports from management;
- ii. reviewing and approving the structure and adequacy of the Company's Business Continuity Plan;
- iii. reviewing and approving the adequacy and effectiveness of management reporting and risk management control systems, including the discretions and delegations conferred on senior management by the Board;
- iv. reviewing and approving the adoption and structure of the Company's insurance program, other than D&O insurance;
- v. reviewing and making recommendations on the Company's D&O insurance;
- vi. when required, reviewing and making recommendations to the Board in relation to the Company's policies relevant to the Committee's responsibilities to ensure that there is:
 - an adequate system of internal control, management of business risks and safeguarding of assets; and
 - accountability at a senior management level for risk oversight and risk management.
- vii. reviewing and approving the adoption and maintenance of procedures relevant to the Committee's responsibilities to ensure that there is:
 - an adequate system of internal control, management of business risks and safeguarding of assets; and
 - accountability at a senior management level for risk oversight and risk management.
- viii. reviewing:
 - material whistleblower and harassment incidents;
 - significant incidents; and
 - material litigation.

(b) Audit

Finance

- i. overseeing and approving the Company's financial reporting and disclosure processes and reviewing the outputs of that process;



- ii. reviewing and recommending for approval by the Board the half yearly and annual financial statements of the Company, the distribution estimates, determinations and confirmation of actual distributions paid, taking into account:
 - the accuracy of the statements and ensuring that they reflect a true and fair view;
 - adherence to accounting standards and policies and any other requirements relating to the preparation and presentation of financial results; and
 - information from internal and external auditors which may be relevant to the quality of financial reports / statements;
- iii. reviewing and making recommendations on the Company's significant accounting policies and principles;
- iv. reviewing and making recommendations on significant accounting and reporting issues.

External Audit

- i. reviewing and approving the Company's External Audit Annual Plan, including the scope of external audit work and any changes that may be required to the same;
- ii. reviewing and making, where appropriate, recommendations in respect of:
 - the appointment (or removal) of the external auditor, including the terms of engagement, remuneration and other contractual terms; and
 - the procedures for selecting and appointing the external auditors and for the rotation of external audit engagement partners;
- iii. reviewing and making recommendations on the Company's external auditor's report, including the performance, independence and objectivity of the external auditor, and the external auditor's findings;
- iv. reviewing compliance with the requirement that the external auditor does not supply "prohibited non-audit services" which are any services if provided by the external auditor to the Company would create a real or perceived threat to the independence of the external auditor.

Internal Audit

- i. reviewing and approving the Company's Internal Audit Annual Plan, including the scope of internal audit work and any changes that may be required to the same;
- ii. reviewing and approving reports from internal audit, the effectiveness of the internal audit program and the performance and objectivity of the internal audit function, including:
 - the results of any significant internal audits undertaken, and issues raised therein;
 - the internal control structure and procedures for financial reporting processes;

- the organisational structure and qualifications of the internal audit program;
- whether the internal auditors are adequately resourced and coordinated with the external auditor;
- monitoring the independence of the internal audit programs from the external auditors and management; and
- management's responsiveness to internal audit findings and recommendations.

(c) Compliance

- i. reviewing the Company's:
 - compliance obligations;
 - compliance processes, policies, and procedures;
 - issues and significant breaches.
- ii. reviewing and making recommendations on governance and compliance issues relating to corporate relationships, joint ventures and investment management activities;
- iii. evaluating the Company's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
- iv. making recommendations on the Company's Anti-Money Laundering and Counter-Terrorism Financing ("AML / CTF") Program and making recommendations on compliance with the AML / CTF Program;
- v. reviewing and or approving any other matter requested by the Board; and
- vi. when required, reviewing and making recommendations to the Board in relation to the Company's policies and procedures relevant to the Committee's responsibilities, to ensure compliance with:
 - relevant laws and regulations (particularly those which have a major potential impact on the Company in areas such as occupational health and safety and the environment); and
 - insider trading laws, continuous disclosure requirements, anti-money laundering programs and other best practice corporate governance processes (including requirements under the ASX Listing Rules, the ASX Corporate Governance Principles and Recommendations, the Corporations Act and AASB requirements).



4. COMMITTEE SIZE AND COMPOSITION

- (a) All Committee members must be non-executive Directors.
- (b) Unless otherwise determined by the Board, the Committee will comprise a minimum of three non-executive Directors and will have an independent non-executive Director as Chair who is not the Chairman of the Board.
- (c) It is intended that all members of the Committee should be financially literate and have familiarity with financial management and at least one member should have relevant qualifications and experience (i.e. be a qualified accountant or other finance professional with experience of financial and accounting matters).
- (d) The Board will appoint the Committee members and may remove or replace the Chair and Committee members by resolution.
- (e) Members of management and the external auditor may attend Committee meetings at the invitation of the Committee Chair.
- (f) The Committee is entitled to have access to, and meet with, the Company's auditors (both external and internal) without executives or management of the Company being present.

5. MEETINGS

- (a) The Committee will meet at least half-yearly, or more frequently as necessary.
- (b) All directors of the Board are entitled to receive copies of Committee papers and to attend the Committee meetings.
- (c) A quorum for any Committee meeting will be two members.
- (d) The Secretary of the Committee will be the Company Secretary or their appointed delegate.
- (e) The Committee agenda and papers will be circulated to the Committee members within a reasonable period in advance of each Committee meeting. The Secretary of the Committee will circulate the minutes of the Committee meetings to members of the Committee.
- (f) The Committee may pass a resolution without a Committee meeting being held if all of the Committee members who are then in Australia and entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by Committee members if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Committee member signs.



6. REPORTING

- (a) The Committee will make recommendations to the Board and the Chair of the Committee will provide regular updates to the Board about the Committee's activities.
- (b) Minutes of each Committee meeting will be tabled at the next Board meeting.

7. ACCESS TO INDEPENDENT ADVICE

- (a) The Committee collectively, and each Committee member individually, has the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and permit independent judgment in decision making, subject to the approval of the Chair of the Committee at the Company's expense.
- (b) It is expected that a Committee member will consult the Chair or the CEO & Managing Director before obtaining advice and the policy of the Board is that external advice will be made available to all Directors unless the Chair agrees otherwise.

8. SPECIFIC DELEGATIONS FROM THE BOARD

The Committee has full delegated authority to fulfil its responsibilities as set out in section 3 above, including the approval, on behalf of the Board, of any matter where the Terms of Reference specify that the Committee's responsibility extends to approval of that matter.

9. REVIEW

This Charter will be reviewed every two years or more frequently as required.

10. APPROVAL

This Charter was approved and adopted by the Board on 3 January 2019.



ANNEXURE A

POLICY ON EXTERNAL AUDITOR ASSESSMENT AND INDEPENDENCE

1. INTRODUCTION

The Audit, Risk and Compliance Committee (“Committee”) has the responsibility and authority (subject to Corporations Act 2001 (Cth) requirements) for the appointment, removal and remuneration of the external auditor as well as evaluating its effectiveness and independence.

The Committee will review the appointment of the external auditor annually based on its assessment of the auditor’s performance.

2. PURPOSE

This policy sets out a practice protocol to assist the Committee in assessing the performance and Independence of the external auditor.

3. ASSESSMENT OF EXTERNAL AUDITOR

The Committee will review the performance of the external auditor on an annual basis after completion of the year end audit. In evaluating the effectiveness of external audit, the Committee will assess the effectiveness of the external auditor based on a number of criteria including, but not restricted to:

- (a) the overall comprehensiveness of the external audit plan;
- (b) the timeliness and quality of communications promised under the plan and delivered during the audit;
- (c) the competency and industry knowledge of external audit staff; and
- (d) the adequacy of resources to achieve the scope as outlined in the plan.

The Committee will seek feedback from management and internal audit during the assessment process.

4. INDEPENDENCE

As a general principle, it is the Company’s policy to engage the best available professional advisors at the most competitive price. This policy must, however, be applied within the context of maintaining the independence of the company’s external auditors.



The Committee will review and assess the independence of the external auditor including, but not limited to, any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The review and assessment will be carried out annually at the time the external auditor presents its annual audit plan.

Prior to this review, the Committee will request a report from the external auditor which sets out all relationships that may affect its independence, including the provision of non audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.

Before the Board approves the half year and full year accounts, the external auditor will be asked to provide a declaration testifying to its independence in respect of the financial period in question. The external auditor will have a continuing obligation to notify the Committee, via the Company Secretary, of any new information it believes may be material to reviewing its independence.

The Committee has responsibility to develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non audit services and to ensure compliance with that policy.

5. ATTENDANCE AT AGMS

The lead auditor of the external auditor is required to attend the Company's Annual General Meeting ("AGM") and be available to answer reasonable questions from security holders regarding the audit of the Company.

The Company will ensure that security holders are given reasonable opportunity at the AGM to ask such questions. The Company will also allow the external auditor a reasonable opportunity to answer written questions submitted by security holders prior to an AGM in accordance with the requirements of the Corporations Act 2001 (Cth).

6. ROTATION OF EXTERNAL AUDITOR

The Company or Committee will ensure the external lead auditor for a listed entity is rotated:

- (a) in accordance with the requirements of the Corporations Act and other applicable regulations (including in relation to cooling off); and
- (b) with appropriate succession planning.



7. OTHER MATTERS

No former partner of the external auditor who was directly involved in an audit of the Company may be appointed as a Director of any Bell Resources company or take a position with a Bell Resources company during the two year period immediately following the former partner's resignation from the external auditor.

No former partner of the external auditor may become an officer of a Bell Resources Limited company if any other person, who is or was at any time a partner of the external auditor at the time when the external auditor undertook an audit of a Bell Resources Limited company, is already an officer of a Bell Resources Limited company.