

Audit and Risk Management Committee

The Company has established an Audit and Risk Management Committee to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the financial operations of the Company.

Under the committee charter, committee members are expected to have a sound understanding of the technical and financial operations of the Company. The committee should consist of a majority of independent directors.

The current committee members are:

- Gary Smith (Chairperson) (Independent)
- Rob Fyfe (Independent)
- Janine Allis (Independent)

The Audit and Risk Management Committee is responsible for reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing risks and developing an appropriate risk management policy framework to provide guidance to the Company's management. Particularly, the committee's core responsibilities include:

- reviewing the Company's internal financial control system and financial statements for accuracy and compliance with appropriate accounting practices;
- monitoring and reviewing the Company's audit function and ensuring compliance in this regard with the relevant regulatory frameworks;
- monitoring corporate conduct and business ethics and ongoing compliance with laws and regulations;
- 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; and
- defining and periodically reviewing risk management as it applies to the Company and ensuring the appropriate disclosure of any relevant risks to the market.

For a complete copy of the committee charter, please see the Company's Corporate Governance Charter which is available online at www.michaelhill.com.