

# OCEANAGOLD CORPORATION

("OceanaGold")

## AUDIT AND FINANCIAL RISK MANAGEMENT COMMITTEE CHARTER

### 1. ROLE

- 1.1 The Audit and Financial Risk Management Committee (the "Committee") is a sub-committee established by the OceanaGold Board created to assist the Board in the effective discharge of its responsibilities in relation to the matters set out in this Charter. The Committee is accountable to the Board for its performance.
- 1.2 The Committee's responsibilities are set out in this Charter and include assisting the Board in its oversight in the following key areas:
- (a) the quality and integrity of OceanaGold's financial statements and reporting;
  - (b) internal and external audit;
  - (c) financial risk management and internal controls; and
  - (d) compliance.
- 1.3 The Committee acts primarily in an advisory and oversight capacity to the Board. In making recommendations to the Board, the Committee does not, of itself, have the power or authority of the Board in dealing with the matter on which it advises except where certain powers are specifically set out in this Charter, as required by applicable laws or the rules of any relevant stock exchange or are otherwise delegated by the Board.
- 1.4 It is not the duty or responsibility of the Committee or Committee members:
- (a) to plan or conduct audits;
  - (b) to determine that OceanaGold's financial statements are complete and accurate and are in accordance with generally accepted accounting principles; or
  - (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations.
- 1.5 The Committee and its chairman are members of the OceanaGold Board appointed to the Committee to provide broad oversight of OceanaGold's financial statements and the risk and control related activities of OceanaGold and to apply necessary and appropriate levels of due diligence, and are specifically not accountable or responsible for the day to day operations or performance of such activities.
- 1.6 Management is responsible for the preparation, presentation and integrity of OceanaGold's financial statements. Management is also responsible for implementing appropriate accounting and financial reporting principles and policies and systems of risk management and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorised, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations.

### 2. KEY RESPONSIBILITIES

The key responsibilities of the Committee in fulfilling its role are set out below.

#### 2.1 Financial Statements and Reporting

The Committee will:

- (a) review and recommend to the Board the draft annual financial statements including Management's Discussion & Analysis and any related media release or presentation pack;

- (b) approve the draft quarterly financial statements including Management's Discussion & Analysis and any related media release or presentation pack; and
- (b) review and recommend to the Board any other public disclosure document or regulatory filing containing or accompanying financial information of OceanaGold as requested by the Board from time to time.

In discharging its responsibilities, the Committee will:

- (a) verify that a robust system of corporate reporting processes and financial controls are in place to safeguard the quality and integrity of the financial statements including the process supporting the President and CEO and Chief Financial Officer certifications;
- (b) review and endorse judgements made by management that have a material impact on the financial statements as they relate to changes in accounting policy and standards;
- (c) review and discuss with management and the external auditor the financial statements and accompanying notes and related public disclosure documents prior to submission to the Board for approval; and
- (d) undertake such other due diligence and enquiries and discussions with management, the external auditor and the internal auditor as the Committee thinks otherwise necessary or appropriate in the circumstances with respect to OceanaGold's financial statements and other public disclosure documents of a financial nature.

## **2.2 External Audit**

The Committee will review and recommend to the Board the appointment, termination and remuneration of the external auditor, who will report directly to the Committee.

In discharging its responsibilities, the Committee will:

- (a) verify the independence of the external auditor as and when required, including the pre-approval of non-audit engagements with a value greater than that permitted under OceanaGold's policy from time to time in relation to non-audit services provided by the external auditor;
- (b) review and endorse the scope of the external audit plan;
- (c) review the outcomes of the external audit plan, highlighting any material issues to the Board;
- (d) review and resolve disagreements between management and the external auditor regarding financial reporting or the application of any accounting principles or practices; and
- (e) review and approve OceanaGold's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

## **2.3 Internal Audit**

In discharging its responsibilities, the Committee will:

- (a) approve management's appointment or termination of the internal auditor;
- (b) review and endorse the scope of the internal audit plan;
- (c) review the outcomes of the internal audit plan, highlighting any material issues to the Board; and
- (d) periodically review resourcing of the internal audit function to ensure its objectivity and independence.

## **2.4 Financial Risk Management and Internal Controls**

The Committee will review and report to the Board in relation to:

- (a) the adequacy and effectiveness of OceanaGold's framework, methodologies and systems of risk management to identify and manage existing, new and emerging material financial

risks and verify that a robust and sound system of internal controls is in place and operating effectively;

- (b) management's performance against the risk management framework including whether it is operating within the risk appetite set by the Board; and
- (c) the adequacy of OceanaGold's insurance program.

Management is to provide regular reports to the Committee detailing material risks and mitigating strategies and controls.

## **2.5 Compliance and Complaints**

The Committee will review and report to the Board in relation to:

- (a) the adequacy of the processes and systems in place across OceanaGold to ensure legal and regulatory compliance; and
- (b) the effectiveness of the processes and systems in place for detecting, reporting and preventing inappropriate business or employee conduct.

The Committee will establish and monitor a process and procedures for the receipt and treatment of complaints received by OceanaGold regarding accounting, internal accounting controls and audit matters and the submission, anonymously or otherwise, by employees of concerns regarding questionable accounting and auditing matters and shall review periodically with management those procedures and any significant complaints received.

## **3. MEMBERSHIP AND MEETINGS**

- (a) The Committee will comprise not less than three non-executive directors. All Committee members must be "independent" and "financially literate" (or become financially literate within a reasonable period of time after their appointment to the Committee) as those terms are defined from time to time under relevant statutory and stock exchange listing rules, or if not so defined as interpreted by the Board in its business judgement.
- (b) The Chairman of the Committee will be appointed by the Board and cannot be the Chairman of the Board.
- (c) The Company Secretary or a delegate shall act as the secretary of the Committee.
- (d) A standing invitation to Committee meetings will be extended to all non-executive directors.
- (e) The Committee may invite any member of management, or any other person, to attend a meeting of the Committee, as the Committee thinks appropriate.
- (f) The Committee will meet as frequently as required but not less than four times per financial year. Any Committee member or the Company Secretary may convene a Committee meeting and two independent non-executive directors shall constitute a quorum. Each Committee member will have one vote and the Chairman will not have a casting vote.
- (g) The Chairman of the Committee (or delegate) shall provide a report to the Board following each Committee meeting.
- (h) The Committee may hold a closed session in the absence of management as and when the Committee deems appropriate.
- (i) All recommendations of the Committee are to be referred to the Board, the Sustainability Committee, Remuneration, People and Culture Committee or the Governance and Nominations Committee as appropriate.

## **4. AUTHORITY**

- (a) In carrying out its responsibilities, the Committee has the authority to discuss directly with management, external or internal auditors, independent counsel or experts (including the authority to set and pay the compensation of such independent counsel or expert advisors) any issue or matter within its remit and to request reports, explanations and information of any of the activities or policies, procedures or standards of the OceanaGold group;

- (b) The Committee is authorised to take any action required from time to time in relation to its composition, membership and activities to ensure compliance with any relevant statutory or stock exchange listing rule requirements from time to time; and
- (c) The Committee is authorised by the Board to obtain external legal and other professional advice or services if it considers this necessary.

## **5. REVIEW**

### **5.1 Performance**

The Committee will each year evaluate its performance against this Charter and agree areas of focus and work program for the following year.

### **3.2 Review of Terms of Charter**

The Committee will review its Charter at least every two years and otherwise as and when required.

#### **Approved by:**

Audit and Financial Risk Management Committee

The Board of OceanaGold Corporation

18 February 2019