



## MS-CH-04: Finance & Audit Committee Charter

<b>Document approver</b>	STL Board	<b>Document developer</b>	STL CFO
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### Version History

Version	Date	Modification
1.0	May 18	Approval of F&C Charter by STL Board
1.1	Mar 20	Update of F&AC Charter (revised format and minor wording changes)
1.2	Jul 20	Update of F&AC Charter (minor wording changes)

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## 1 Purpose

The STL Board's Finance & Audit Committee will assist the Board in discharging its duties regarding the Company's financial management and control framework.

The Committee will review, monitor and, where necessary, recommend improvements to the:

- financial management framework and reporting process
- external audit process
- legal and regulatory compliance.

The Committee will be responsible for the initial review of the annual budget.

## 2 Responsibilities

### 2.1 Financial management and reporting

The Finance & Audit Committee will:

- review and recommend to the Board for approval the Company's financial statements including whether they are complete and consistent with appropriate accounting standards and principles
- review and monitor the Company's approach to debt financing
- review and recommend to the Board all significant changes in the Company's accounting policies
- ensure appropriate financial planning frameworks and metrics are established
- review and recommend to the Board changes to the Company's treasury policy
- review the Company's capital structure and make recommendations to the Board as appropriate.

### 2.2 External audit

The Finance & Audit Committee will:

- provide a forum for the external auditor to present external audit plans, external audit reports and to provide explanation as to their content and meaning and provide feedback
- determine that no management restrictions are being placed on the external auditor
- review external audit reports and ensure any identified deficiencies in internal controls are given adequate attention by management
- meet separately with the auditors at least once a year
- discuss with the external auditor and internal auditor (if relevant) before the audit commences the nature and scope of the audit, and to ensure coordination between the internal and external auditor
- review management responses to external and internal audit reports

### 2.3 Legal and regulatory compliance

The Finance & Audit Committee will, in conjunction with the Board and management, monitor STL's compliance with all relevant:

- Statutory and regulatory obligations, including the NSX's continuous disclosure obligations
- Internal policies and procedures

- new or proposed accounting and tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements

For the avoidance of doubt, the Finance & Audit Committee is responsible for reviewing all legal and regulatory compliance as it relates to Accounting, Tax and the NSX. All other legal and regulatory obligations are within the scope of the Safety, Health, Environment & Risk Committee.

## 2.4 Review of the Annual Budget

The Finance & Audit Committee will:

- review the draft annual operating and capital budgets and cashflow forecasts prepared by management
- satisfy itself as to the acceptability of the annual budget before making recommendations to the Board
- review any interim or updated budgets where there has been a material change in the Company's position either financially or within the broader external environment, and to make recommendations to the Board on such amendments as may be required

The STL Board remains responsible for adopting the annual budgets.

## 3 Membership

Membership and attendance at meetings of the Finance & Audit Committee will be:

- a minimum membership will be two non-executive Directors and an independent Director appointed as Chair.
- each member should have the skills and experience appropriate to the Company's business and be allowed to explore relevant skills development opportunities when they occur
- each member must be financially literate and understand the operations of the business with at least one member having accounting or related financial experience
- the Board will be responsible for appointment of the Committee members
- the Chair of the Committee will be appointed by the Board and be other than the Board Chair
- other attendees at Committee meetings will, subject to the discretion of the Committee, ordinarily comprise the Chief Financial Officer, CEO and external Auditor
- the composition of the Committee will be reviewed every two years.

## 4 Authority

The Finance & Audit Committee is established under Article 22.9 of the STL constitution, which provides the Board with the authority to establish Board Committees.

The Board authorises the Finance & Audit Committee, within the scope of its responsibilities, to:

- obtain any information it requires from management and employees or external parties
- obtain expert advice where necessary following consultation with the Board Chair
- ensure the attendance of Company officers at meeting as appropriate.

## 5 Independence

The Finance & Audit Committee has no executive powers in relation to the operations of the Company. Rather, it functions in an oversight and review role on behalf of the Board and will make recommendations for Board decision/approval when required.

## 6 Ethical Practices

No member of the Committee shall have a personal financial interest in the Committee's decisions, findings or recommendations to the Board.

Any potential conflicts of interests are to be immediately declared to the Committee Chair.

## 7 Meetings

Meetings should following guidelines:

- a quorum for any meeting of the Finance & Audit Committee will be two Finance & Audit Committee members.
- should the Committee Chair be absent from the meeting, the members of the Committee present at the meeting have the authority to choose one of their number to Chair that particular meeting.
- the Finance & Audit Committee may invite such other persons to its meetings as it deems necessary, including persons to provide expert advice as considered necessary by the Committee. Any Board member may attend any meeting of the Committee.
- meetings will be held at least three times per year. Special meetings may be convened as required
- the external auditor or internal auditor may request a meeting if they consider that it is necessary
- the Company Secretary, in conjunction with the Committee Chair, shall determine an agenda and business papers for each Committee meeting and shall circulate the agenda to all Directors at least one week prior to each meeting. The internal and external auditors will be requested to contribute to the agenda.
- a copy of the Finance & Audit Committee papers and draft minutes of each meeting shall be made available to all Board shareholders prior to the next Board meeting

## 8 Review Cycle

The Finance & Audit Committee's Charter will be reviewed at least every two years and if changes are made, they must be approved by the Board.

## 9 Review of Committee Performance

The Finance & Audit Committee will annually evaluate its performance against its responsibilities as set out in the Charter.

This evaluation should include obtaining feedback from other Directors, the external auditor, internal auditor (if relevant) and senior financial and other management staff.

An external evaluation of the Finance & Audit Committee's performance will occur at least every three years, as part of a broader review of Board performance.