

SWICK MINING SERVICES LTD

AUDIT AND CORPORATE GOVERNANCE COMMITTEE CHARTER

INTRODUCTION

The Board of Swick Mining Services Ltd (“**Swick**” or the “**Company**”) has established an Audit and Corporate Governance Committee (“**Committee**”) to assist the Board in fulfilling its responsibilities in relation to financial reporting, internal controls, financial risk management and corporate governance.

The Committee has no Board decision making responsibility but makes considered recommendations to the Board of Directors.

SCOPE

Audit

The primary audit function of the Committee is to assist the Board of Directors in fulfilling its responsibilities by reviewing:

- the financial information that will be provided to shareholders, regulators and the public;
- the integrity and quality of the Company’s financial statements and disclosures;
- the independence of the company’s auditors;
- the annual audit engagement;
- review of audit plans; and
- the Company’s auditing, accounting and financial reporting processes.

Corporate Governance

The primary governance function of the Committee, in conjunction with the Company Secretary, is to establish a framework and series of policies for the good governance of the Company. This shall be achieved by:

- reviewing and reporting to the Board on current corporate governance policies;
- reviewing and reporting to the Board on corporate governance regulatory or compliance issues;
- providing recommendations to the Board on corporate governance practices and policies after assessment and review;
- reviewing and reporting to the Board compliance with the ASX Corporate Governance Principles;
- reviewing and reporting to the Board on best practice developments in Corporate Governance; and
- providing recommendations to the Board on policies and procedures to ensure effective communications of corporate governance policies to shareholders, media, analysts and industry participants.

Financial risk management

The only risk function of the Committee is to monitor the practices of financial risk management specifically in relation to managing exposure to credit, liquidity and market risks (including foreign currency exchange and interest rates). This shall be achieved by:

- the systems, processes and controls that the Board and management have established to identify and manage areas of significant financial risk relating to the finance functions of the Company;
- reviewing the placement of the Company’s insurance program to ensure it meets the Company’s needs and aligns with the company’s financial risk profile;
- reviewing management reports on the application and sufficiency of the Company’s financial risk

management framework and policies in relation to finance risks and monitoring management's responses and actions to mitigate finance risk exposures.

The Committee is also responsible for establishing procedures for verifying the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, to satisfy the Board that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.

MEMBERSHIP

The Board shall appoint the members of the committee and review the composition of the committee at least annually. The committee will comprise:

- at least three members;
- only non-executive directors of the Board, a majority of whom are independent;
- an independent chairman appointed by the Board and who is not the Chairman of the Board;
- where possible, members with sufficient financial skills and experience relevant to the committee's functions.

The Committee (including the Chairman of the Committee) will be appointed by the Board of Directors. The Company Secretary will be the Committee Secretary.

The effect of ceasing to be a Director of the Board is automatic termination of appointment as a member of the Committee.

MEETINGS

The Committee will meet at least two times per year and more frequently as required. The Chairman of the Committee may call a meeting of the Committee at any time, or if so requested by any member of the Committee.

A quorum will consist of two Committee members.

The Committee Secretary, in conjunction with the Chairman, shall draw up an agenda for meetings, which shall be circulated to each member of the Committee and attendees, at least two working days prior to each meeting.

As necessary or desirable, the Chairman may invite members of management and representatives of the external auditor to be present at meetings.

The Committee may meet with the external auditor without management present.

The Committee Secretary will prepare the minutes of the Committee meetings, which shall be considered at the next Board of Directors meeting.

AUTHORITY

In carrying out its responsibilities, the Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:

- obtain independent professional advice in the satisfaction of its duties at the cost of the Company; and
- have such direct access to the resources of the Company, as it may reasonably require, including management and external auditors.

The Committee may, if it deems appropriate, hold private meetings with advisers and management personnel.

MANAGEMENT SIGN-OFF PROCEDURE

The audit committee will ensure that the Managing Director and Chief Financial Officer prepare a written statement to the Board certifying that in their opinion, the financial records of the Company have been properly maintained and that the financial statements for a financial period present a true and fair view, in all material respects, of the financial condition of the Company and its operational performance and are in accordance with relevant accounting standards.

The Managing Director and Chief Financial Officer shall also confirm that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The statement is to be presented to the Board prior to the approval and sign-off of the financial statements.