AUDIT, RISK AND SUSTAINABILITY COMMITTEE CHARTER

PURPOSE

This Charter describes the Audit, Risk and Sustainability Committee's (the Committee) role as a committee of the Board.

This Charter has been approved by the Board. It may be reviewed and amended by the Board at any time.

The Committee will review this Charter at least every two years to ensure that it appropriately documents and assists the Committee to perform its role.

ROLE

The Committee has been established by the Board of Peninsula Energy Limited (Peninsula or the Company) to assist the Board to oversee the integrity of the Group's financial reporting and external audit, including sustainability and climate reporting, and implement sound systems of risk management and internal controls across all the Company's activities, including climate related risks.

The Board has delegated authority to the Committee to fulfill the responsibilities set out below and may make other delegations to the Committee from time to time.

RESPONSIBILITIES

The Committee has the following areas of responsibility:

1. Internal Control and Risk Management

(a) The Committee shall review the effectiveness of and compliance with the Company's financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of risks, including sustainability and climate related risks.

(b) The Committee shall support the Board and management to define the Company's Audit, Risk and Sustainability Objectives and agree how these objectives will be achieved, monitored and reviewed.

It is the responsibility of the CFO (and other officers of the Company) to ensure that the Company operates within a sound structure of internal controls and procedures within an approved Risk Management framework as adopted by this Committee.

2. External Audit

(a) The Committee shall be responsible for the retention, compensation, oversight, appointment and re-appointment of the Company's external auditors including resolution of disagreements between management and the auditor regarding financial reporting, and shall ensure that key partners within the appointed firm are rotated from time to time in accordance with applicable laws and the relevant Company policies.

(b) The Committee shall meet with the external auditors at least twice each year, once at the audit planning stage, where the scope of the audit will be considered and the terms of the annual audit engagement approved, and once post audit at the reporting stage, and shall ensure that any auditor's management letters and management's responses are reviewed.

(c) The Committee shall review the Company's relationship with the external auditors, including (but not limited to):
   i. Their independence and objectivity;
   ii. The audit fees;
   iii. The nature and quantum of non-audit services provided by the external auditor, including the amount of fees paid for such services.

(d) The Committee shall review any recommendations that the external auditors have made vis-à-vis the Company's internal controls & procedures and shall be responsible for reviewing and approving the annual and half-year integrated audit plans.

3. Internal Audit

The Company is not currently of a size that supports or warrants an Internal Audit function. It is the opinion of the Board that the cost of establishing and maintaining such a function outweighs the potential benefits that may be obtained from one. The Committee will however, review the need for an Internal Audit function on a regular basis.

4. Financial Reporting

The Committee shall:

(a) Review significant accounting policies, judgements and estimates applied in financial reporting to ensure appropriateness for the organisation and compliance with accounting and sustainability policies and standards;
(b) Monitor the procedures in place to ensure that the entity is in compliance with the Corporations Act, Australian Securities Exchange Listing Rules and other legislative and reporting requirements including Corporate Governance practices;
(c) Ensure that the Chief Executive Officer and Chief Financial Officer provide a declaration to the Board before it approves the Group's financial statements for a financial period that, are in accordance with the requirements of the Corporations Act 2001 (Cth) and ASX Corporate Governance Recommendation 4.2; and
(d) Recommend to the Board whether the financial statements should be approved based on the Committee's assessment of them.

5. Sustainability and Climate Change

The Committee shall:

(a) Review and advise the Board on the adoption of and compliance to appropriate policies and procedures in relation to the Company's activities and practices in relation to employees, environmental stewardship, social and community engagement and ethical and transparent governance (sustainability-related matters);
(b) Review and recommend to the Board for approval, targets and metrics to measure performance on sustainability-related matters;
(c) Review reports and information provided by management to monitor and assess:
   i. Compliance with legislative and administrative requirements relating to sustainability-related matters;
   ii. Progress made towards the achievement of sustainability-related targets;
   iii. The effectiveness and integrity of the Company's risk management frameworks, internal controls and processes used to manage and mitigate sustainability-related risks;
   iv. Adequacy of available financial resources, technical skills and expertise to effectively manage and accurately report on sustainability-related matters;
(d) Monitor the Company's responses to reduce the effects of climate change through impact measurement, continual improvement and transparency in reporting on decarbonisation efforts and energy efficiency;
(e) Review investigations into any significant sustainability-related incidents within the Company;

(f) Monitor and advise the Board on significant developments in relevant legislation and regulations impacting sustainability-related matters and the appropriateness of management's planned responses to manage the potential impacts thereof; and
(g) Review and assess the appropriateness and integrity of the Company's public disclosures relating to sustainability-related matters in line with regulatory requirements, stakeholder needs and international best practice. Approve, in accordance with the Company's disclosure policies, all public disclosures of sustainability-related matters.

6. Other Matters

The Committee shall oversee any investigation of activities which are within its terms of reference and act as a court of last resort including;

i. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls and fraud; and
ii. The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting practices, fraud or misappropriation of financial and non-financial assets.

REPORTING

(a) The Chair of the Committee shall report to the Board, at the following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee that require Board endorsement or approval.
(b) The Committee shall report to the Board annually, in writing, on all matters relevant to the performance of its role and the discharge of its duties during the period, having regard to ASX Corporate Governance Principles and Recommendations.

COMPOSITION

The Committee shall be appointed by the Board and shall be composed of:

(a) At least three non-executive Directors, all of which are independent;
(b) A Chair, also appointed by the Board, who is one of those independent non-executive Directors and who is not the Chair of the Board;
(c) Members who are financially literate, with at least one Director possessing accounting or related financial expertise and qualifications; and
(d) At least one Director who has experience in and an understanding of the industry in which the business operates.

ATTENDANCE AT MEETINGS

The Chair of the Board, if not a member of the Committee, may attend meetings, ex officio.

The Managing Director / Chief Executive Officer, Chief Financial Officer, the Company Secretary or his/her nominee (acting as meeting secretary) and representative(s) of the external auditors attend meetings by invitation.

MEETINGS

- The Committee will hold at least two meetings a year (two are specifically held to review the half year and annual accounts) and such additional meetings as the Chair of the Committee shall decide in order for the Committee to fulfil its duties in relation to risk management and sustainability requirements, including climate risk.
- An agenda and any supporting documentation will be circulated to members of the Committee in advance of meetings. The Chair of the Committee will report any significant matters to the subsequent meeting of the Board of Directors.
- The Company Secretary will be responsible for keeping minutes of the meeting of the Committee and circulating them to members.
- A quorum shall consist of a majority of Committee members.

AUTHORITY

The Committee has the right:

(a) To seek any information it requires from any employee of the Company and from the external auditor in order to perform its duties;
(b) To obtain, at the Company’s expense, outside legal or other professional advice on any matters within its Charter;
(c) To call any member of staff to be questioned at a meeting of the Committee as and when required;
(d) To approve accounting policies and procedures and auditing methodology. Material issues and significant judgements will be referred to the Board with the Committee’s recommendation.