Audit and Risk Committee Charter

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1. Applicability

This Audit and Risk Committee Charter applies to all members of the Audit and Risk Committee (**Committee**) established by the board of directors (**Board**) of Deep Yellow Limited ABN 97 006 391 948 (**Deep Yellow** or the **Company**). A reference to Deep Yellow in this Charter is a reference to:

(a) the Company and each of its subsidiaries (together the Group); and

(b) any joint ventures under a Group company's operational control (where appropriate).

2. Role and Objectives

The role of the Committee is to assist the Board to meet its oversight responsibilities in relation to the Company's corporate reporting and Risk Management Framework. The objectives of the Committee include:

(a) assisting the Board in the governance of the Company, and the exercising of due care, skill and diligence in relation to:

(i) reporting of financial information to users of the Company's financial reports;

(ii) application of accounting policies;

(iii) financial management;

(iv) the Company's internal control system;

(v) the Company's IT systems including Cyber Security;

(vi) financial business policies and practices; and

(vii) compliance with all applicable laws, regulation, standards and best practice guidelines.

(b) improving the credibility and objectivity of financial reporting;

(c) reviewing the annual insurance program;

(d) overseeing the effectiveness of the external audit function;

(e) ensuring the independence of the external auditor;

(f) overseeing Deep Yellow's Risk Management Framework; and

(g) overseeing the Company's Tax Risk Governance Framework.

Ultimate responsibility for the Company's financial statements and risk management rests with the Board.

3. Composition

The Committee will be structured so that it has at least three members, all of whom are non-executive directors and a majority of whom are independent. The Chairman of the Committee must be an independent director and not also Chairman of the Board.

All members of the Committee must be financially literate (that is, be able to read and understand financial statements); at least one member must have relevant qualifications and experience (that is, should be a qualified accountant or other finance professional with experience of financial and accounting matters); and all members should have an understanding of the industry in which the Company operates.

From time to time, non-Committee members may be invited to attend Committee meetings, if it is considered appropriate. The Chief Financial Officer (**CFO**) is required to attend all Committee meetings by invitation. The Managing Director/CEO (**CEO**) of the Company is required, as an invitee, to attend and participate in all Committee meetings while risk related matters are being discussed.

The Board will review the composition of the Committee annually to ensure it comprises the appropriate balance of skills, knowledge and experience to be able to discharge the Committee's mandate effectively.

4. Responsibilities

The Committee has the following responsibilities:

4.1 Corporate Reporting

(a) Review the half-year and annual financial statements presented by management, together with reports and opinions from the external auditor and confirm they reflect the understanding of the Committee members, and otherwise provide a true and fair view of, the financial position and performance of the Company.

(b) Review significant accounting and reporting issues and assess the appropriateness of accounting policies and methods chosen by management, particularly those relating to significant accounting estimates and judgements and the assessment of going concern.

(c) Review recent regulatory and professional pronouncements and understand their impact on the financial statements.

(d) Review the results of the audit with the external auditor, including significant adjustments, uncorrected misstatements and any difficulties encountered or unresolved disagreements with management.

(e) Review the appropriateness of disclosures in the financial statements and financial reporting to stakeholders, particularly in regard to estimate and judgments.

(f) Review all matters required to be communicated to the Committee under Australian Auditing Standards with management and the external auditor, such as key audit matters for listed companies, significant internal control deficiencies, indications of fraud or corruption and non-compliance with laws or regulations.

(g) Review management representations, including the CEO and CFO declarations regarding the financial report and financial records.

(h) Provide a recommendation to the Board whether the financial report should be approved, based on a review of the financial statements, note disclosures and other information.

(i) Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about the entity and its operations, and is unbiased.

(j) Review management's process for ensuring that information contained in analyst briefings, investor presentations and press announcements is consistent with published financial information, and is balanced and transparent.

(k) Ensure that the declaration referred to in Recommendation 4.2 of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations is given before the Board approves the Company’s financial statements for each half-year and full year.

4.2 Fraud and Internal Control

(a) Consider the impact of the Company's culture on internal control.

(b) Assess the internal processes for determining and managing key financial risk areas, particularly:

   (i) compliance with laws, regulations, standards and best practice guidelines, including industrial relations laws;

   (ii) important judgments and accounting estimates;

   (iii) litigation and claims; and

   (iv) fraud and theft.

(c) Make recommendations to the Board for improvements (if any) in relation to the internal financial management and financial controls of the Company.

(d) Obtain and assess management reports on any suspected or actual fraud, theft or breaches of law, and recommend appropriate actions by the Board.

(e) Address the effectiveness of the internal control, financial risk management and performance management systems with management and the external audit providers.

(f) Evaluate the processes the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.

(g) Meet periodically with key management and external auditors to understand and discuss the control environment.

(h) Oversee the IT function as it relates to Cyber Security and the implementation/ monitoring of appropriate controls and training.

4.3 Internal Audit

(a) Consider if, and when, an internal audit function is required.

(b) Whilst the Company does not have an internal audit function, monitor the processes the Company has in place for evaluating and continually improving the effectiveness of the Company's governance, risk management and internal control processes, which processes may include engaging an external third-party to assist in performing the function,

4.4 External Audit

(a) Assess the quality and effectiveness of the audit conducted and evaluate performance of the auditor.

(b) Meet with the external auditor at least twice each year, and any other time considered appropriate.

(c) Review the Company's Procedure for the Selection, Appointment and Rotation of External Auditor set out in **Schedule 1** to this Charter.

(d) Carry out the functions ascribed to the Committee in the Procedure for the Selection, Appointment and Rotation of the External Auditor.

(e) Review with the external auditor the scope and terms of the audit and the audit fee including a review of non-audit services provided by the external auditor.

(f) Review the audit plan for coverage of material risks and financial reporting requirements.

(g) Monitor and review auditor independence and objectivity.

(h) Establish ongoing communications with the auditors and ensure access to directors and the Committee.

(i) Review reports from the external auditors (including auditor's reports, closing reports and management letters).

(j) Discuss with the external auditor matters relating to the conduct of the audit, including any difficulties encountered, any restrictions on scope of activities or access to information, significant disagreements with management and the adequacy of management response.

(k) Review any proposal for the external auditor to provide non-audit services in accordance with the requirements of the audit Professional Code of Ethics and Auditing Standards, as applicable and whether it might compromise the independence of the external auditor.

(l) Ensure that the external auditor is given notice of all general meetings, and attends the Company's annual general meeting.

4.5 Compliance

(a) Consider the impact of the Company's culture on compliance processes.

(b) Monitor the impact of changes in key laws, regulations, internal policies and Accounting Standards affecting the entity's operations.

(c) Review the effectiveness of the entity's systems, policies and practices that relate to compliance with laws, regulations, internal policies and Accounting Standards, and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

(d) Obtain regular updates from management about compliance and ethical matters that may have a material impact on the entity's financial statements, strategy, operations or reputation, including material breaches of laws, regulations, standards and company policies.

(e) Review and monitor related party transactions.

(f) Discuss with management whether all regulatory compliance matters of the Company have been considered in the preparation of the financial statements, such as compliance with Accounting Standards and the requirement for the financial statements to reflect a 'true and fair' view.

4.6 Tax Risk Management

(a) Oversee the Company's Tax Risk Governance Framework set out in **Schedule 2**.

(b) Consider the appropriateness of material tax judgments applied in the preparation of financial reports of the Group. Consider the implications of expected changes in prevailing tax laws to the Group's operating business and structure.

(c) Review the findings of any examination by regulatory agencies of the Group's tax governance practices.

4.7 Risk Management

(a) Consider the impact of Deep Yellow's culture on risk management.

(b) Monitor changes in the economic and business environment, including consideration of emerging trends and other factors related to the entity's risk profile.

(c) Consider internal controls, including the Company's policies and procedures to assess, monitor and manage risks.

(d) Review and make recommendations to the Board in relation to the Deep Yellow Risk Management Policy.

(e) Review and make recommendations to the Board in relation to Deep Yellow's Risk Standard.

(f) Make recommendations to the Board in relation to Deep Yellow's risk appetite.

(g) Develop the Deep Yellow corporate risk matrices.

(h) Review and make recommendations to the Board in relation to the Deep Yellow Risk Management Framework.

(i) Evaluate the adequacy and effectiveness of the Risk Management Framework, at least on an annual basis.

(j) Review and approve Deep Yellow's Risk Procedures in relation corporate risks.

(k) Ensure Deep Yellow is operating with consideration of the risk appetite and identify any material changes required to the risk appetite for recommendation to the Board.

(l) Consider any material breaches of Deep Yellow's Risk Management Framework.

(m) Report to the Board on Deep Yellow's material risk profile and updates on extreme and high risks.

(n) Make recommendations to the Board in relation to any improvements to be made to Deep Yellow's risk management process.

(o) Review disclosures in the annual corporate governance statement in relation to the recognition and management of business risks.

4.8 Other

Perform such other functions related to this Charter as requested by the Board.

5. Operations

The Committee meets at least twice per financial year and otherwise as required. Minutes of all meetings of the Committee are kept. The minutes are tabled at each subsequent meeting of the Board. Committee meetings will be governed by the same rules set out in the Company's Constitution as they apply to meetings of the Board.

6. Authority and Resources

The Company will provide the Committee with sufficient resources to undertake its duties, including providing educational information on accounting policies and other financial topics relevant to the Company, to assist the Committee in fulfilling its duties.

The Committee is authorised to:

(a) consult with and seek any information it requires to perform its duties, from any Director and/or employee of the Company;

(b) require the attendance of any employee at Committee meetings;

(c) seek explanations and additional information from the Company's external auditors, without management present, when required; and

(d) obtain, at the Company's expense, external legal or other professional advice on any matter within its responsibilities as set out in this Charter.

The Committee has the power to conduct or authorise investigations into any matter within its scope of responsibilities.

7. Reporting

The Chairman of the Committee will 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 which require Board approval, and reporting on any actions taken by the Committee.

The Chairman of the Committee is to be present at the Company's annual general meeting to answer questions, through the Chairman of the Board.

8. Review

This Charter will be reviewed annually and communicated as required.

Schedule 1 - Procedure for the Selection, Appointment and Rotation of External Auditor

1. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit and Risk Committee. Any appointment made by the Board is subject to confirmation by shareholders at the next annual general meeting of the Company. In recommending the appointment of an auditor to members, the Board may consider the matters outlined in *Australian Securities and Investments Commission Information Sheet 196 Audit quality: The role of directors and audit committees* under the headings "*Recommending the appointment of an auditor*" and "*Assessing potential and continuing auditors*".

2. Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company, and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner in accordance with professional standards as current from time to time, including part 2M.4 Division 5 of the Corporations Act 2001 (Cth).

3. Other than the mandatory criteria set out in paragraph 2 above, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost, internal governance processes and any other matters deemed relevant by the Board. The Board may consider the matters outlined in the *Australian Securities and Investments Commission Information Sheet 196 Audit quality: The role of directors and audit committees* under the heading "*Assessing potential and continuing auditors*".

4. The Audit and Risk Committee will review the performance of the external auditor on an annual basis and make any recommendations to the Board. The Audit and Risk Committee may refer to the matters outlined in the *Australian Securities and Investments Commission Information Sheet 196 Audit quality: The role of directors and audit committees* under the heading "*Assessing potential and continuing auditors*" when reviewing the performance of the external auditor.

Schedule 2 - Tax Risk Governance Framework

1. Applicability

A reference to Deep Yellow in this Tax Risk Governance Framework (**Framework**) is a reference to:

(a) Deep Yellow Limited ABN 97 006 391 948 (**Deep Yellow** or the **Company**) and each of its subsidiaries (together the **Group**); and

(b) any company, joint venture or partnership under a Group company's operational control unless specifically excluded.

Where operations are carried out through entities or arrangements in which the Group has a non-controlling interest then the Framework only applies in relation to the tax implications arising from the holding of that non-controlling interest. The Group will however make every attempt to influence such entities or arrangements to comply with the Framework.

The Framework and the associated tax operating policies set out in **Annexure A** apply to all directors, officers, employees, consultants and contractors of Deep Yellow (**Personnel**) irrespective of whether or not they have a direct or indirect involvement in tax. The Framework applies irrespective of the place of incorporation, place of tax residency or location at which business is carried on.

The Framework applies to all taxes, duties and incentives regardless of whether they are imposed, collected and/or refunded by a national/federal, state or local authority and regardless of whether they arise in respect of the Group, its employees or contractors. It also applies to reporting that is required to be made to an authority in respect of tax matters. Table 1 provides examples of the taxes and reporting covered by the Framework:

Table 1: Taxes Covered by the Framework

Federal income tax (including capital gains)	Customs and import duties
Fringe benefits tax (**FBT**)	Other state and local taxes
Goods and services tax (**GST**) / value added tax (**VAT**)	Fuel levies and Fuel tax credits
Research and development and other tax incentives and grants	Payroll taxes
Stamp duties, transfer duties, capital duties and property taxes	Superannuation Guarantee Charge and similar pension and Social Security imposts
Employee tax reporting obligations	Withholding tax paid and collected
Mineral royalties	Transfer pricing requirements
	Exchange control requirements

2. Purpose

This Framework forms part of Deep Yellow's overall Risk Management Policy. The purpose of the Framework is to set out Deep Yellow's tax strategy and its approach to managing tax risk by documenting the following:

(a) the entities and businesses to which the Framework applies;

(b) the taxes which are subject to the Framework;

(c) the roles and responsibilities of various personnel with respect to tax matters;

(d) how Deep Yellow identifies, manages and reports its tax risks (refer **Annexure B** for the definition of tax risk) and associated obligations; and

(e) the key mechanisms which Deep Yellow uses to manage tax risks.

3. Code of Conduct

Deep Yellow has adopted a Code of Conduct which governs the conduct of Deep Yellow Personnel. The Code of Conduct applies in attending to any tax matters.

4. Tax Risk Strategy

Deep Yellow's strategy for managing tax risk is as follows:

(a) to ensure that tax risks are considered as a part of the overall commercial assessment of any transaction;

(b) to comply with all tax compliance obligations in a timely manner;

(c) to take a conservative approach to the assessment and management of tax risk with a view to always being considered by tax authorities as low or medium risk (see section 6.4 for definition of low and medium level of tax risk);

(d) not to participate in tax evasion or to facilitate the evasion of tax by a third party in any way;

(e) to maintain open and constructive relationships with all relevant tax authorities;

(f) to protect the reputation of Deep Yellow in relation to tax matters; and

(g) to proactively engage and communicate regularly with the board of directors of the Company (**Board**) and others within Deep Yellow so as to adopt a 'no surprises' approach to the management of tax risk.

5. Tax Risk Management Policy

Deep Yellow's tax operating policies (refer **Annexure A**) should give effect to the tax strategy outlined above and to the following general tax risk management policy:

(a) the Group Chief Financial Officer (**Group CFO**) must be an invitee or attendee member of the Audit and Risk Committee (**ARC**). If no such committee is established, then the Group CFO must attend Board meetings as an invitee when tax, accounting or audit matters are on the agenda;

(b) always act with due skill, care and diligence and in accordance with Deep Yellow's corporate governance policies;

(c) take a risk averse approach to tax;

(d) adopt tax positions that either have a low risk or, where a tax position has a medium tax risk, adopt it with the following conditions:

  (i) it has a medium to low probability of eventuating; and

  (ii) it is supported with independent advice from a reputable tax adviser.

(e) where the advice sought from external advisers is not clear, a second opinion from a different reputable external adviser should be sought;

(f) the income tax returns for Deep Yellow shall be prepared by a reputable external tax adviser (as appropriate) and reviewed by the Group CFO;

(g) each Deep Yellow entity must consult the Board on all material (refer **Annexure B** for definition of "material") transactions to ensure that the tax implications of the transaction are assessed;

(h) a systematic approach to documenting tax matters complying with statutory document retention requirements must be in place at all times;

(i) all cross border related party transactions must be entered into in accordance with Deep Yellow's transfer pricing policy;

(j) tax reviews, audits and disputes must be managed in an open and constructive manner with a view to maintaining an overall low to medium level of tax risk; and

(k) a systematic approach to the identification, documentation, communication and reporting of tax risks must be in place at all times.

(l) Section 6 outlines the key mechanisms by which the policy outlined above should be implemented. Where necessary some of these key mechanisms are more fully documented in the tax operating policies in **Annexure A**.

6. Tax Risk Management: Key Mechanisms

6.1 Role and Responsibilities

The Board is responsible for the following:

(a) setting a tax risk strategy for Deep Yellow that is aligned with overall Deep Yellow strategy and which gives effect to the Board's wishes;

(b) identifying, managing, reporting and treating tax risks as they arise in the course of their duties;

(c) advising and supporting Deep Yellow's operations on tax matters. No other person can advise on tax matters to Deep Yellow operations without the Board's approval and review of such advice;

(d) ensuring that tax is appropriately accounted for; and

(e) ensuring that Deep Yellow's tax compliance obligations are met.

The Board is not responsible for recording transactions in the accounting system or for verifying or otherwise auditing the validity, accuracy or completeness of entries recorded in the accounting system.

Delegated Authority

The Board has delegated its authority for the management of tax risks and tax obligations as follows:

Function	Delegated Authority on behalf of the Board
ARC	Authorised to manage Deep Yellow's tax risks subject to section 6.4.
Group CFO and Group Financial Controller	The Group CFO is authorised to approve Australian tax returns, including income tax returns and any other tax returns or other documents/declarations within the ordinary course of business. The Group CFO may delegate the lodgements of certain Australian tax returns (other than income tax returns) to the Group Financial Controller, including Business Activity Statements (**BAS**), FBT Returns, Payroll Tax Returns and other documents/declarations for lodgement with the Australian Taxation Office (**ATO**), provided the tax returns or other documents/declarations are within the ordinary course of business.

Function	Delegated Authority on behalf of the Board
Group CFO and Group Financial Controller *(continued)*	The Group CFO is authorised to approve tax returns and other documents/declarations for lodgement with tax authorities in overseas jurisdictions or to delegate authority to authorised representatives as set out below. The Group CFO and Group Financial Controller are authorised to approve payments of a tax nature in accordance with the relevant accounts payable policies.
Public Officer - Australia	On receipt of approval from the Group CFO, is authorised to sign Australian tax returns (e.g. income tax returns, BAS, FBT Returns, Payroll Tax Returns etc.) and other documents/ declarations for lodgement with the ATO. Make payments of a tax nature in accordance with the relevant accounts payable policies.
Authorised representative – Namibia	On receipt of approval from the Group CFO, the RMR CFO is authorised to sign tax returns and other documents/ declarations for lodgement with the tax authorities in Namibia. The RMR CFO may delegate the lodgements of certain Namibian tax returns (other than income tax returns) to the RMR Finance Manager, provided the tax returns or other documents/declarations are within the ordinary of course of business. On receipt of approval from the Group CFO, make payments of a tax nature.
Authorised representative – Mauritius	On receipt of approval from the Group CFO, an approved representative in Mauritius is authorised to sign tax returns and other documents / declarations for lodgement with the tax authorities in Mauritius. On receipt of approval from the Group CFO or Group Financial Controller, make payments of a tax nature.

Chief Financial Officer

The Chief Financial Officer is responsible for preparing and delivering a tax report to the Board on a bi-annual basis (in conjunction with the Board's consideration and approval of the Group's half-year and annual financial statements), which addresses all tax related matters for the financial period to which it relates.

Public Officers and their Representatives

All Public Officers (or people in similar representative roles in other jurisdictions in which Deep Yellow operates) must meet the minimum requirements for appointment as stipulated by the relevant legislation. The appointment of a Public Officer (or people in similar representative roles in other jurisdictions in which Deep Yellow operates) must be approved by the relevant Deep Yellow or subsidiary company board of directors.

In Australia and other countries, Public Officers (or people in similar representative roles in other jurisdictions in which Deep Yellow operates) have a number of responsibilities under the tax legislation and are generally responsible for signing forms and documents before they are submitted to the Australian/other country tax authorities. The Public Officer (or people in similar representative roles in other jurisdictions in which Deep Yellow operates) has been made aware of his/her responsibilities.

6.2 Tax Risk Identification

As noted above, the Board is responsible for the management of tax risk.

It is policy for each Deep Yellow entity to engage reputable external tax advisers to review any potential tax exposures where material (refer **Annexure B** for definition of "material") transactions are entered into and in accordance with Deep Yellow's policy for identification, documentation and reporting of tax risks (refer item 12 of **Annexure** A).

Risk identification is to be embedded into compliance and business processes through the operating policies (refer **Annexure A**) using mechanisms such as:

(a) upfront scoping of tax risk issues;

(b) control self-assessments;

(c) completion checklists; and

(d) tax signoffs and Board involvement in investments, divestments and internal re-organisations.

6.3 Dealings with Tax Authorities

Deep Yellow openly engages with tax authorities at the earliest opportunity to discuss any tax issues which arise. The objective of this approach to dealing with tax authorities is to:

(a) provide transparency over tax matters relating to Deep Yellow and enable a 'no-surprises' approach to tax compliance; and

(b) promote and encourage a relationship of trust with tax authorities so as to ensure that tax matters and queries are dealt with efficiently and effectively to better enable Deep Yellow's desired commercial and strategic outcomes.

6.4 Tax Risk Identification, Analysis, Evaluation and Treatment

Tax Risk Identification

The Board includes tax risk as part of its risk register maintained in accordance with Deep Yellow's Risk Management Policy.

Tax Risk Analysis

The tax risks identified in the risk register are evaluated into the probability of the risk eventuating and are classified into low, medium or high risk by the Group CFO using his/her professional judgement after taking into account the type of tax risk and the estimated monetary value of the tax risk (refer Table 2 below).

Table 2: Tax Risk Rating

Probability of Tax Risk Eventuating	**Level of Tax Risk**		
	Low	**Medium**	**High**
High (75% - 100%)			
Medium (51% - 74%)			
Low (<51%)			

Tax Risk Evaluation and Treatment

The following courses of action will be taken depending on what colour category the tax risk falls into:

Risk Assessment	Internal Review	External Review	Approve	Inform
Black	Risk not acceptable to Deep Yellow.			
Red	Group CFO	External tax adviser/ consider a ruling	ARC	Board
Yellow	Group CFO	External tax adviser	ARC	Board
Green	Group CFO	None	ARC	None

7. Tax Operating Policies

A list of Deep Yellow's tax operating policies is included in **Annexure A**.

8. Consequences of Breach

Failure to comply with the Framework and its associated tax operating policies may have implications for Personnel, including (but not limited to) warnings, demotion, disciplinary action, civil penalties and possible dismissal.

9. Review

The Board is responsible for reviewing the Framework annually and updating the document as necessary. Any changes to the Framework must be approved by the Board.

Annexure A: Tax Operating Policies

Policy No.	Tax Topic	Deep Yellow Policy
1.	External tax adviser engagement	It is Deep Yellow's policy to engage external tax advisers when: (a) a tax risk falls into the red and yellow categories identified in section 6.4 of the Framework; or (b) on any other occasion where the Group CFO/Board believes it is warranted. It is Deep Yellow's policy to use a reputable external adviser. Where advice received from an external adviser is unclear, a second opinion should be sought from another reputable tax adviser.
2.	Transfer pricing	It is Deep Yellow's policy to treat all cross-border related party transactions: (a) in accordance with arm's length principles; and (b) in a manner that will satisfy Australian transfer pricing laws as well as transfer pricing laws in force in other countries where Deep Yellow operates. The International Dealings Schedule (**IDS**) spreadsheet and transfer pricing documentation for the income tax return will be prepared, updated and/or reviewed by an external adviser.
3.	Tax reviews/ audits by or information requests from tax authorities	Where a tax authority (directly or via the courts) issues Deep Yellow with a formal notice to provide information, other than immaterial matters in the ordinary course of business, the matter must be referred to the Audit and Risk Committee. It is Deep Yellow's policy, when dealing with tax reviews, audits or information requests from tax authorities to: (a) act in an open and authentic manner; (b) respond in the required timeframe or as required by law; (c) maintain a register of all reviews/audits/information requests, the status thereof, the relevant contacts (both within Deep Yellow and the tax authority) and an assessment of the risk and impact; and (d) deal with the matter in a way so as to conclude the issue as quickly as possible having due regard to its nature and complexity.

Policy No.	Tax Topic	Deep Yellow Policy
3.	Tax reviews/ audits by or information requests from tax authorities *(continued)*	In providing responses to tax authorities: (a) written responses may only be provided if approved by the MD/Group CFO; (b) source documentation or working papers provided to the tax authorities should not be altered or edited in any way; and (c) materials subject to Legal Professional Privilege may not be shared with the tax authorities, unless required by law. The MD/Group CFO will decide whether to respond directly or seek external assistance (i.e. external tax adviser or legal counsel), and will supervise the preparation of a written response. All litigation will be handled by external legal counsel.
4.	Income tax compliance	It is Deep Yellow's policy to: (a) comply with the tax laws on a timely basis and in the correct format; and (b) do so with the required due skill, care and diligence. A tax agent (i.e. external tax adviser) lodges the tax return with the appropriate tax authority.
5.	Tax effect accounting process and sign-off	The Group CFO reviews and signs-off on the tax effect accounting (**TEA**) calculations and the tax disclosure notes. The TEA calculations and tax disclosure notes are audited and signed-off by external advisers.
6.	GST/VAT/FBT/ Payroll/PAYG and other tax compliance	In relation to GST, VAT, payroll tax, pay as you go (**PAYG**) tax, FBT and other taxes referred to in Table 1, it is Deep Yellow's policy to: (a) comply with the tax laws on a timely basis and in the correct format; and (b) do so with the required due skill, care and diligence.
7.	Entity tax registration	It is Deep Yellow's policy to register all Deep Yellow entities for any taxes required by the laws of the country in which its entities operate on a timely basis.

Policy No.	Tax Topic	Deep Yellow Policy
8.	Tax document maintenance and retention policy	It is Deep Yellow's policy to maintain and retain all tax documents for the period required or recommended in practice by tax authorities in local or overseas jurisdictions: (a) from the date on which the record was obtained/ prepared; or (b) from the time the relevant transaction or act was completed.
9.	Tax policy for new country business	It is Deep Yellow's policy, prior to conducting business in a new country, to have a high-level understanding of: (a) the tax system of that new country; and (b) how the tax system of the new country interacts with Australia's tax system. The Board procures a tax report from an external adviser in the new country in which it is intended to operate. This report lists all the tax issues which Deep Yellow will be exposed to in that new country should it choose to operate in that country. Should any of the tax issues identified in this report be unclear, advice should be sought from a second reputable external adviser.
10.	Tax policy on exiting a country	It is Deep Yellow's policy that before Deep Yellow exits a country, the following tax compliance obligations must be met: (a) final corporate income tax returns, GST/VAT returns, FBT returns, payroll tax returns and any other taxation related returns up to the date of exiting the country must be lodged with the relevant tax authorities; (b) outstanding tax owed must be settled; (c) any outstanding tax queries/tax audits must be finalised and resolved; and (d) if possible, a tax clearance certificate must be applied for and secured from the country's tax authorities. The obligations listed above are the responsibility of the Group CFO. Where necessary, the Group CFO will engage external advisers to assist in meeting the compliance obligations.
11.	Policy for internal re-organisations, new investments and divestments	Prior to any internal re-organisation, new investment and divestment it is Deep Yellow's policy for the Group CFO to advise on the tax implications of these transactions. Where necessary, the Group CFO will engage external advisers to provide the tax advice.

Policy No.	Tax Topic	Deep Yellow Policy
12.	Policy for identification, documentation and reporting of tax risks	It is Deep Yellow's policy to: (a) identify tax risks (i.e. actual and potential) as and when they arise; (b) include tax risk as part of its risk register; (c) report these tax risks to the Board depending on the materiality of these risks; and (d) obtain sign-off on these tax risks in terms of section 6.4 of this Framework. The Board will identify items of potential risk affecting Deep Yellow after taking into account the following: (a) discussions with the management team; (b) any change to tax legislation in any of the countries in which Deep Yellow operates. Where appropriate the Board will obtain advice from external advisers on the legislation changes. (c) reports from auditors on tax issues arising out of the audit process; (d) any sign-off letter from tax advisers after review of annual income tax returns; and (e) notifications from tax authorities on any issues arising out of their review of Deep Yellow's tax compliance which pose a tax risk to Deep Yellow.

Annexure B: Definitions used in the Framework

Material means:

(a) non-routine transactions;

(b) transactions involving internal re-organisations, investments (i.e. mergers or acquisitions) and divestment activities;

(c) transactions where new structures or business arrangements are being adopted or are being entered into or used for the first time;

(d) transactions where operations in new countries are being contemplated;

(e) transactions where there is uncertainty regarding the application of a point of tax law due to a lack of court precedent or tax authority ruling; or

(f) where transactions being entered into are complex from a tax perspective or are cross-border in nature.

Tax Risk means the definition of the types of Tax Risk are set out in the table below. In addition, sub-categories within each type of Tax Risk are also set out in addition to examples thereof.

Tax Risk Type	Sub-category	Definition
1. Transactional Risk	Identification Risk	➢ Risk that a tax risk will not be identified during a transaction.
	Interpretation and application Risk	➢ Risk that the tax law applying to the transaction may be misinterpreted and misapplied.
	Documentation Risk	➢ Risk that the tax advice provided on a transaction is not appropriately documented and/or was not based on the final transaction documentation resulting in a tax impact.
	Execution Risk	➢ Risk of not executing a transaction or steps of a transaction in the manner envisaged, with a resulting tax impact.
	Corporate Structure Risk	➢ Risk that the tax implications arising on a corporate structure may be overlooked.
	Non-Tax Function Controlled Taxes Risk	➢ Risk that taxes not controlled by Group Tax (including stamp duty) will not be adequately assessed during a transaction.

Tax Risk Type	Sub-category	Definition
2. Operational Risk	Compliance Risk	➢ Risk of failure to meet tax obligations and deadlines. ➢ Risk arising from lodging inaccurate tax returns.
	Change of Law Risk	➢ Risk that a change in the tax law will have an unforeseen impact on the Group. ➢ Risk that changes in the law are not implemented by the business or previous tax advice is not updated for such law changes.
	Tax Effect Accounting Risk	➢ Risk arising from inaccurate/untimely tax effect accounting/reporting. ➢ Risk that the tax effect accounting will trigger an unexpected requirement to make a disclosure to tax authorities.
	Accounting and Management Systems Risk	➢ Risk arising from inadequate tax systems/ procedures and date integrity issues. ➢ Risk that changes to accounting and management systems and procedures may result in incorrect tax compliance outcomes.
	Tax Cash Flow Risk	➢ Risk that the group cash flow forecasts do not materially reflect expected tax related cash flows.
	Funding Risk	➢ Risk that the composition of funding within a region will breach local tax rules resulting in the denial of interest deductions.
	Tax Residency Risk	➢ Risk that the management and control of an entity may result in a change of tax residency of the entity.
	Transfer Pricing Risk	➢ Risk that cross border related party transactions will not be at arm's length resulting in tax adjustments made by tax authorities.
3. External Adviser Risk	Adviser Risk	➢ Risk that the choice of tax adviser may not fit the tax risk profile of Deep Yellow.

Tax Risk Type	Sub-category	Definition
	Level of Opinion Risk	➢ Risk that the level of opinion provided by the external adviser is inappropriate/insufficient.
	Information/Fact Risk	➢ Risk that the information and facts provided to the tax adviser, upon which they advise, are not accurate or complete.
4. Management Risk		➢ Risk that material tax issues are not appropriately reported and managed.
5. Reputational Risk		➢ Risk of tax affairs being reported in the public sphere and the subsequent impact of public opinion/key stakeholders on the business. ➢ Non-financial risks to Deep Yellow standing with tax authorities, others in business and the general public.
6. Portfolio Risk		➢ Risk that the application of the tax policy within the business is misaligned with the group tax policy endorsed by the Board. ➢ Risk that the groups tax risk profile is not in line with the tax risk appetite of Deep Yellow.