Australian Agricultural Company Limited

ABN 15 010 892 270

# Audit and Risk Management Committee Charter

Approved by the Board of Australian Agricultural Company Limited on 22 September 2026

## 1. Introduction

1.1 On 8 September 2014, the Board of Australian Agricultural Company Limited ("**AACo**") resolved to establish an Audit and Risk Management Committee ("**ARMC**"), to delegate the responsibilities set out in this Charter.

1.2 Other than where a delegated authority is conferred by the Board in this Charter, the ARMC's role is to review and make recommendations to the Board.

## 2. Primary objectives

2.1 The primary objective of the ARMC is to assist the Directors of AACo in fulfilling their corporate governance and oversight responsibilities in regard to:

- integrity and quality of interim and annual financial reporting, climate reporting and other statutory disclosures;
- taxation governance;
- the independence, objectivity and competency of the internal and external auditors;
- identification and management of key contemporary and emerging risks;
- compliance with relevant laws, regulations, standards, and codes;
- adequacy of the internal control framework, including reviewing and setting AACo's Risk Appetite Statement;
- monitoring management's performance against AACo's risk management framework, including whether it is operating within AACo's Risk Appetite Statement; and
- oversight of the Company's material debt, hedging and equity financing arrangements.

2.2 This includes oversight by the ARMC of risk management and compliance processes, and the conduct and effectiveness of external and internal audits.

2.3 The overarching objective of the ARMC is to assist the Board in fulfilling its responsibilities in relation to financial reporting, risk management, internal controls, compliance, assurance and oversight of material financial and non-financial risks..

2.4 Any reference to risk in this Charter covers both financial and non-financial risks.

## 3. Membership

3.1 Members of the ARMC will be appointed by the Board from the non-executive Directors of AACo. The ARMC will consist of not fewer than three members:

- who will:
  - be independent of senior management and the executives of AACo;
  - be free from any relationship which might in the opinion of the Board be construed as a conflict of interest;
  - have an appropriate level of understanding of the principles of corporate governance, including knowledge of the Australian Securities Exchange Limited's (ASX) Corporate Governance Principles and Recommendations;
  - be financially literate and at least one member has recent and relevant financial and accounting expertise;
  - have sufficient understanding of the industries in which AACo operates; and
- a majority of whom will be otherwise independent as determined by the Board.

3.2 A quorum shall be the number that ensures that a majority of the attending members are independent non-executive Directors. For example, if the Committee consists of three members, a quorum shall be two independent non-executive Directors.

3.3 The Chair of the ARMC is appointed by the Board. The Chair must be an independent director who is not chair of the Board.

3.4 The duties and responsibilities of a member of the ARMC are in addition to those duties as a member of the Board.

## 4. Attendance at Meetings

4.1 The Managing Director/Chief Executive Officer ("**MD/CEO**"), Chief Financial Officer ("**CFO**") and a representative of the external auditors shall attend the meetings in addition to ARMC members under a standing invitation. Other Board members shall also have the right to attend at their discretion. The ARMC will regularly meet with the external auditors without executive management present.

4.2 The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members.

4.3 The Company Secretary shall be the Secretary of the ARMC and shall minute all relevant discussion and decisions of the ARMC. A record of all signed minutes of ARMC meetings is to be maintained in a secure place as a permanent record of the Company.

4.4 The ARMC Chair will also regularly meet with the respective chairs of other committees of the Board (including the People & Culture Committee) to report on any material matters arising from the ARMC meeting.

## 5. Frequency of Meetings

5.1 Meetings of the ARMC must be held at least four times a year and such additional meetings as the Chair shall decide in order to fulfil its duties. In addition, the Chair shall be required to call a meeting of the ARMC if requested to do so by any ARMC member, the Chair of the Board, MD/CEO, the CFO or the external auditor.

5.2 The focus of two of the ARMC meetings each year will be Risk Management, Internal Audit and Governance (including but not limited to sustainability topics and Cyber security). The other two ARMC meetings each year will focus on interim and annual statutory reporting and results (including financial reports and other mandatory reporting requirements) with updates on Risk Management, Internal Audit and Governance as required.

5.3 The Secretary will be responsible, in conjunction with the ARMC Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting.

5.4 The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than two days before the meeting.

## 6. Responsibilities

The ARMC will carry out the following responsibilities:

### 6.1. External Auditor and Assurance Providers

6.1.1. Consider and recommend to the Board the appointment, reappointment or replacement of the external auditor or auditors, including any matter relevant to the auditor's resignation or dismissal.

6.1.2. Approve the external auditor's annual engagement letter, including the scope and extent of the audit, the audit plan and audit fees.

6.1.3. Discuss with the external auditor before the audit commences, the nature, scope and general extent of the audit examination, including approving the engagement letter and the audit plan.

6.1.4. Consider and approve the appointment of assurance providers or external specialists required to support the audit, financial reporting or other mandatory reporting requirements, including climate-related disclosures, having regard to their capability, objectivity, independence and any applicable regulatory requirements.

6.1.5. Review the performance, effectiveness and independence of any external auditor or assurance provider engaged to perform assurance over financial statements, climate-related disclosures or other mandatory reporting, and satisfy itself that such engagements do not create actual or perceived conflicts of interest or impair judgement or independence.

6.1.6. Discuss, in the absence of management if necessary, any challenges or reservations arising from the interim and year-end audits, and any other issues that the auditor may wish to discuss.

6.1.7. Review significant matters raised by the external auditor and any assurance providers through management letters, including management's responses and actions to address identified issues.

6.1.8. Review management representation letters submitted to the external auditor and any assurance providers in support of audit and assurance activities.

6.1.9. Review the co-operation received by the external auditors during their audit examinations, including their access to all requested records, data and other information.

6.1.10. Monitor the external auditor's compliance with applicable auditor independence requirements, including the periodic rotation of the lead engagement and review audit partners in accordance with the Corporations Act 2001 (Cth) and applicable professional and ethical standards, and satisfy itself that appropriate safeguards are in place to address any actual, potential or perceived threats to independence, including those arising from non-audit services, employment relationships or long association with the engagement.

6.1.11. Meet privately with the external auditor, without management present, at least twice each year and at any other time on the request of the external auditor or the ARMC Chair, to discuss any matters the external auditor or the Committee considers should be raised in the absence of management, including audit quality, independence, the cooperation and information received from management, significant judgements, control deficiencies, suspected fraud and any regulatory matters.

## 6.2. Internal Audit

6.2.1. Review and approve the Internal Audit Charter.

6.2.2. Evaluate the overall effectiveness of the internal audit function, including overseeing function's independence and objectivity, budget and staffing, internal audit controls and procedures and the review the appointment, performance and, where applicable, the removal of the outsourced internal audit service provider.

6.2.3. Ensure the Internal Audit and Compliance Officer has unrestricted access to the Chair of the Committee, without management present where required.

6.2.4. Review and approve the risk based annual Internal Audit Plan and any material updates to the Plan.

6.2.5. Determine that no management restrictions are being placed upon the internal auditors.

6.2.6. Review the reports of the internal auditor and approve the closure of management actions arising from internal audit recommendations, including the implementation status of agreed actions, including overdue high-risk findings.

## 6.3. Compliance Management

6.3.1. Review and approve AACo's compliance framework annually.

6.3.2. Monitor the adequacy and effectiveness of AACo's compliance framework.

6.3.3. Oversee whether AACo's compliance framework operates consistently with the Board-approved Risk Appetite Statement (the Committee's oversight of management's adherence to the Risk Appetite Statement being addressed under the Risk Management responsibilities in section 6.5).

6.3.4. Review reports from management on new and modified compliance obligations which are applicable to AACo and assess the adequacy of management response to these obligations.

6.3.5. Drive the development of a strong compliance culture and ensure there is a continuous process of improvement.

## 6.4. Financial Controls and Financial Reporting

6.4.1. Review the half-year and annual financial statements before submission to the Board, focusing particularly on the following:

(a) any relevant changes in accounting policies and practices;

(b) significant accounting estimates, assumptions and judgments used in the preparation of financial reports and assess their reasonableness;

(c) significant adjustments to management accounts resulting from the audit;

(d) review management's assessment of going concern, solvency and liquidity, including the assumptions supporting those assessments;

(e) compliance with accounting standards;

(f) compliance with ASX and legal requirements; and

(g) compliance with the published governance guidelines of AACo, and once satisfied with the statements, recommend acceptance to the Board.

6.4.2. Review the adequacy and effectiveness of AACo's financial control environment, including controls over financial reporting, treasury, taxation, information technology systems supporting financial reporting and segregation of duties through discussions with external and internal auditors and management.

6.4.3. Review statutory reporting disclosures, including but not limited to annual Corporate Governance Statement, climate-related disclosures, Modern Slavery Act Statement, Remuneration Report, prior to submission to the Board.

6.4.4. Review management's certifications regarding the effectiveness of financial records, financial reporting processes and internal controls supporting statutory reporting.

6.4.5. Oversee the effectiveness of AACo's tax governance and compliance framework and the management of material tax risks.

6.4.6. Evaluate AACo's exposure to fraud.

## 6.5. Risk Management

6.5.1. Oversee and review at least annually AACo's financial and risk management framework including AACo's Risk Appetite Statement, including monitoring its effectiveness.

6.5.2. Review AACo's risk profile to ensure that material business risks (both contemporary and emerging) to AACo, including those that threaten AACo's business model, future performance, solvency or reputation, are dealt with appropriately and reported to the Board in a timely manner.

6.5.3. Review and assess the adequacy of AACo's insurances, including Directors and Officers Liability insurance at least annually.

6.5.4. Oversee and independently review whether AACo management is operating with due regard to the Risk Appetite Statement set by the Board, and satisfy itself that any material breach of, or departure from, the Risk Appetite Statement is appropriately escalated and reported to the Board.

6.5.5. Review reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has or plans to put in place to deal with those risks.

6.5.6. Drive the development of a strong risk management and compliance culture and ensure risk and compliance management is dynamic and a continuous process of improvement.

## 6.6. Treasury

6.6.1. Provide oversight of the Company's debt and hedging arrangements.

6.6.2. Monitor the Company's financial risks and exposures.

6.6.3. Review and make recommendations to the Board regarding the proposed structure and pricing of any material equity or equity-related securities to be issued by the Company.

## 6.7. Sustainability Risks and Reporting

6.7.1. Identify and monitor the management of material sustainability risks, including those relating to topics such as climate change, for AACo.

6.7.2. Monitor the adequacy and effectiveness of AACo's risk management frameworks in respect of the group's material risks relating to sustainability risks.

6.7.3. Oversee and review AACo's compliance with its legal, regulatory and other obligations in respect of sustainability disclosures and reporting, including but not limited to mandatory climate related financial disclosures, on an annual basis.

6.7.4. Monitor developments in the external environment, including changes in applicable laws, regulations, standards. codes and stakeholder expectations, which may affect AACo's sustainability risk profile or its corporate reporting and disclosure obligations.

## 6.8. Cyber Security and Data Protection

6.8.1. Oversee the identification, management and monitoring of material cyber security and artificial intelligence (AI) risks, including new and emerging threats, and oversee AACo's compliance with applicable legal, regulatory and contractual requirements relating to those risks.

6.8.2. Satisfy itself that AACo has in place, and maintains, an appropriate cyber security strategy and framework to mitigate material cyber security risk.

6.8.3. Review and monitor the adequacy and effectiveness of AACo's risk management frameworks, controls and governance arrangements in respect of the group's data governance and AI risks, including the responsible and ethical use of data and AI, privacy and data protection, and compliance with applicable legal and regulatory requirements.

## 6.9. Other

6.9.1 Consider any special projects or investigations delegated by the Board or deemed by the ARMC to be necessary.

6.9.2 Review and investigate any matter within the scope of its responsibility (for example, without limitation, an incident involving fraud or a break-down of AACo's risk controls) and report on the "lessons learned".

6.9.3 Review this Charter and recommend any changes to the Board for approval.

6.9.4 Review the Modern Slavery Statement annually and recommend it to the Board for approval; and review and endorse the Modern Slavery Policy at least every two years, or earlier where required by legislative or operational change.

6.9.5 Monitor the standard of corporate conduct in areas such as ethics, arm's length dealing with related parties and likely conflicts of interest.

6.9.6 Oversee the process for receipt, retention and treatment of information received under AACo's whistleblower policy and procedures.

6.9.7 Review any reports provided on any unlawful or unethical practices, including any whistle-blower reports.

6.9.8 Oversee voluntary external sustainability reporting, including tracking and monitoring AACo's progress against its sustainability goals as identified by the Board from time to time.

6.9.9 Require reports from management and the external and internal auditors on any significant regulatory, accounting or reporting development to assess potential financial reporting issues.

6.9.10 Review and recommend to the Board any significant change in accounting policy.

6.9.11 Review material or significant instances of litigation during the period including managements' resolution thereof.

6.9.12 Review the annual Corporate Governance Statement and required disclosures.

6.9.13 Review any other non-audited information intended for public release.

6.9.14 Review any related party transactions and make appropriate recommendations to the Board in that regard.

## 7. Reporting to the Board

7.1 The ARMC Chair will provide a report on the actions of the ARMC to the Board at the first meeting of the Board directly following any meeting of the ARMC. The report shall include any material matters arising from the ARMC meeting and any recommendations requiring Board approval and/or action.

7.2 The ARMC Chair will formally advise the Chairman of the Board of any matters or recommendations requiring the attention of the Board, and will ensure that the Board is promptly made aware of any matters brought to the attention of the ARMC Chair that may significantly affect the financial condition or reputation of AACo. Copies of ARMC papers and reports, together with minutes of each ARMC meeting, will be circulated to all Board members.

## 8. Authority

8.1 The ARMC is authorised by the Board to:

- request any officer or employee of AACo, external legal counsel, the external auditor or any person or group with relevant experience or expertise to attend meetings of the ARMC or to meet with any members of, or consultants to, the ARMC;
- investigate any matter brought to its attention within its scope of responsibility and, for this purpose, will have unrestricted access to records, external and internal auditors (with or without management present), lawyers retained by AACo and company officers, senior management and other personnel;
- approve all auditing and non-audit services;
- obtain outside legal advice or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this to be necessary; and
- delegate authority to subcommittees.

## 9. Annual Review

9.1 The ARMC will conduct an annual review of its performance and effectiveness by reference to this Charter and current best practice. This review process will include a review of the appropriateness of the terms of this Charter for current circumstances.

9.2 Where necessary, the ARMC may recommend to the Board alterations to its responsibilities, functions or membership of the ARMC. Formal adoption of the revised Charter requires Board approval.

**Public Availability of Materials**

9.3 The ARMC must ensure a copy of this Charter is made publicly available on the Company's website in a clearly marked corporate governance section.