



ELDERS LIMITED

**AUDIT, RISK AND COMPLIANCE
COMMITTEE CHARTER**

DOCUMENT CONTROLS

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1. Introduction

- 1.1. The Board of Elders Limited (the **Company**) has established an Audit, Risk and Compliance Committee (the **Committee**) to assist the Board in meeting Elders' Audit, Risk and Compliance objectives and corporate governance responsibilities.
- 1.2. This Charter sets out the role and responsibilities delegated by the Board to the Committee and records how the Committee will operate.
- 1.3. In this Charter:
 - (a) **CEO** means the Managing Director and Chief Executive Officer of the Company;
 - (b) **CFO** means the Chief Financial Officer of the Company;
 - (c) **Company Secretary** means a company secretary of the Company; and
 - (c) **Independent Director** has the meaning given to it in the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.

2. Objectives

The objectives of the Committee are to assist the Board to meet its oversight responsibilities in relation to:

- 2.1. the Company's financial statements and financial reporting;
- 2.2. the Company's financial risk management processes, accounting and control systems;
- 2.3. the Company's internal and external audit arrangements;
- 2.4. the Company's compliance with legal, regulatory and internal policy requirements; and
- 2.5. the Company's risk management programs, in particular how they aid risk identification, assessment, monitoring and management.

3. Authority of the Committee

- 3.1. The Committee is to operate within the framework set out in this Charter, but Committee members may raise any other matters considered by them to be relevant to the Committee's responsibilities.
- 3.2. The Committee is a committee of the Board and has no authority independent of the functions delegated to it by the Board. It is to report its findings and recommendations directly to the Board. The functions of the Committee do not relieve the Board from any of its responsibilities.

- 3.3. In performing its role the Committee may seek information from any employee or external party and may obtain external independent legal or professional advice at the expense of the Company.
- 3.4. The Committee's oversight authority covers the Company and its subsidiaries.

4. Composition and Attendance

- 4.1. The Board will appoint all members of the Committee (on such conditions as it sees fit) and set the remuneration of each Committee member.
- 4.2. The Committee is to comprise at least three non-executive Directors of the Company, the majority being Independent Directors, all of whom must be financially literate.
- 4.3. The Committee Chair will be appointed by the Board and must be an Independent Director, but may not be the Chair of the Board.
- 4.4. At least one Committee member must possess accounting or related financial expertise and qualifications.
- 4.5. Directors of the Company who are not Committee Members may attend meetings and receive copies of the Committee papers but are not entitled to vote.
- 4.6. The CEO, the CFO, the senior executive responsible for risk and compliance and the head of internal audit each has a standing invitation to attend all meetings and should attend unless prevented by extenuating circumstances or directed by the Committee to not attend.
- 4.7. The Committee may extend invitations (as it considers appropriate) to any person to attend all or part of any meeting. In particular the Committee may meet with external advisers, any executive or other employee, and any other non-executive Director, and may do so with or without management present.
- 4.8. The Committee will meet with the Head of Internal Audit without the other members of management being present on a periodic basis and whenever deemed appropriate by the Committee Chair.
- 4.9. The Committee will meet with the external auditor as frequently as considered necessary by the Committee Chair, but at least once at the audit planning stage and once after the audit but before reporting to the ASX, and, if the Committee Chair considers appropriate without management personnel being present.
- 4.10. The secretary of the Committee is a Company Secretary.

5. Responsibilities

The Committee has responsibility for reviewing and making recommendations to the Board, where required, on:

5.1. Internal Control

- (a) the effectiveness of the Company's financial reporting and internal control policies and its procedures for the identification, assessment, reporting and management of financial risks;
- (b) any material incident involving fraud or significant breakdown of internal controls; and
- (c) management information systems, ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems.

5.2. Internal audit

- (a) the appointment, replacement or termination of the head of internal audit and any internal audit outsource provider. Any proposed change of the holder of that post should be considered and approved first by the Committee;
- (b) the internal audit charter and annual internal audit plan, including the scope and adequacy of the internal audit work plan and level of co-ordination with the external auditors;
- (c) the management of financial matters and the freedom allowed to the internal auditors;
- (d) reports on the Company from the internal auditors and management's response to significant or material findings and recommendations; and
- (e) independence, performance and objectivity of the internal audit function.

5.3. External audit

- (a) the appointment and retirement of the Company's external auditors, ensuring that the audit partner from the firm providing audit services is rotated from time to time in accordance with all applicable regulation and Company policy;
- (b) the scope of the audit, the terms of the annual audit engagement letter and audit fees;
- (c) the independence and objectivity of the external auditors, and policies for the provision of non-audit services by the external auditor and, where applicable, the framework for pre-approval of non-audit services;
- (d) the nature and quantum of non-audit services provided by the external auditor, including the amount of fees paid for such services;
- (e) the performance of the external auditors and effectiveness of the annual audit; and
- (f) reports from the external auditor and management's response to significant or material findings and recommendations, including recommendations regarding compliance with accounting standards and proposals in respect of the Company's internal auditing standards.

5.4. Other Audit Matters

- (a) co-ordination of the internal and external auditors and any integrated audit plans.

5.5. Financial statements

- (a) the integrity and consistency of the Company's accounting policies and the application of those policies both on a year to year basis and across the Company and the Group;
- (b) the Company's statutory half and full year financial statements having particular regard to:
 - (i) critical accounting policies and practices and any changes in them;
 - (ii) decisions requiring a significant exercise of judgement;
 - (iii) the extent to which the financial statements are affected by any unusual transactions;
 - (iv) the clarity of disclosures;
 - (v) significant adjustments resulting from the audit;
 - (vi) going concern and solvency;
 - (vii) compliance with accounting standards;
 - (viii) compliance with the Corporations Act, the rules of the ASX and other legal requirements (including any relevant foreign jurisdiction laws); and
 - (ix) the CEO and CFO statements to the Board made pursuant to the requirements of the *Corporations Act 2001* and the *ASX Corporate Governance Council's Principles and Recommendations*; and
- (c) whether the financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position of the Company and performance of Elders.

5.6. Dividends

Any proposed payment of dividends to shareholders.

5.7. Compliance

- (a) the effectiveness of the Company's compliance programme including the design, implementation and management of the Company's compliance framework;
- (b) specific policies, systems and processes for addressing compliance with applicable laws and Company policy;

- (d) the Company's material governance policies, and compliance with those policies, including (but not limited to):
 - i. Elders' Delegations of Authority,
 - ii. Elders' Credit Policy,
 - iii. Elders' Financial Risk Management Policy,
 - iv. Elders' Whistleblower Policy,
 - v. Elders' Anti-Bribery and Corruption Policy,
 - vi. Elders' Anti-Fraud Policy,
 - i. Elders' Dividend Policy,
 - ii. Elders' Resilience and Risk Policy,
 - iii. Elders' Tax Risk Management Policy,
 - iv. Elders' Securities Dealing Policy,
 - v. Elders' Cyber Security Policy,
 - vi. Elders' Non-Audit Services Policy, and
 - vii. Elders' Compliance Policy;
- (e) the Company's tax management policies and processes, and compliance with those policies, including the tax risk management policy;
- (f) reports from management regarding compliance with laws, including material notices to or inquiries received from regulators or government agencies; and
- (g) the policies, processes and framework for identifying, analysing and addressing complaints and review material complaints and their resolution.

5.8. Resilience and Risk Management

- (a) the Company's resilience and risk framework, at least annually, to satisfy itself that the framework is operating effectively, including identifying and monitoring significant areas of risk;
- (b) management's implementation of and performance against the Company's resilience and risk framework, including whether it is operating within any risk appetite set by the Board;
- (c) policies and procedures on risk oversight and management to establish an effective and efficient system for:
 - (i) identifying, assessing, monitoring and managing risk; and
 - (ii) disclosing any material change in the risk profile.

- (d) the Company's risk profile; and
- (e) the adequacy of the insurance programme for the Company, its subsidiaries, including Directors and Officers Liability insurance at least annually;

5.9. Other

- (a) in relation to disclosures on matters referred to in this Charter; and
- (b) any other matters as the Board may refer to it from time to time.

6. Meetings

- 6.1. The Committee is to meet at least four times each year and more frequently as circumstances dictate. Meetings may be convened at the request of the Committee Chair or the Board.
- 6.2. A quorum consists of 2 Directors.
- 6.3. The Committee Chair is responsible for overseeing the agenda and presiding over the meetings.
- 6.4. The Company Secretary will:
 - (a) in conjunction with the Committee Chair and the CFO, settle agendas for and arrange meetings of the Committee so as to ensure coverage of all the Committee's business, particularly the business covered by the Committee's 12 month rolling agenda;
 - (b) distribute agendas and supporting papers to members of the Committee in advance of the relevant meeting (preferably at least 5 business days); and
 - (c) attend all Committee meetings to take minutes and have these approved by the Committee Chair as soon as practicable after each meeting.

7. Reporting

- 7.1. The Committee Chair will regularly update the Board on the proceedings of each meeting of the Committee and refer matters of concern and make appropriate recommendations to the Board.
- 7.2. The Committee Chair will report to the Board on such other matters as the Board may refer to the Committee from time to time.
- 7.3. Minutes of Meetings of the Committee are provided to the Committee Chair within 10 business days of the meeting, approved by the Committee within one month and are tabled at the following Committee meeting.

8. Review

- 8.1. The Committee will review this Charter every second year and recommend to the Board the adoption of any amendments to it considered desirable.
- 8.2. The full Board of Directors is responsible for reviewing the performance of the Committee annually; and
- 8.3. The Committee will provide any information the Board may request to facilitate its review of the Committee's performance and its members.