

AUDIT RISK AND CORPORATE GOVERNANCE COMMITTEE CHARTER

1. PURPOSE AND SCOPE

This Charter outlines the role, responsibilities, composition and processes of the Audit Risk and Corporate Governance Committee (**Committee**) being a committee of the Board of Directors (**Board**) of Ruralco Holdings Limited (**Ruralco**).

2. ROLE OF THE COMMITTEE

The role of the Committee is to assist the Board in discharging its responsibilities in relation to:

- Ruralco's financial reporting processes and obligations, risk and compliance frameworks, external and internal audit and any matters that may significantly impact the financial condition or affairs of Ruralco's business and the preparation and presentation of its financial information by management
- corporate governance standards, control processes and developments relevant to the Group.

The Committee provides a forum for communication between the Board, management and internal and external auditors and advisors to enable the Ruralco Group to navigate the complex regulatory landscape of audit, risk management, compliance and governance matters.

3. RESPONSIBILITIES OF THE COMMITTEE – FINANCIAL REPORTING AND RISK MANAGEMENT

3.1 FINANCIAL REPORTING

Review significant accounting and financial reporting matters, and the key processes implemented by management in connection with those matters, including how changes to accounting and regulatory standards and requirements impact the Group's financial statements.

Confirm the Group's financial statements are supported by appropriate accounting judgments or choices of management, reflect the understanding of Committee members, and otherwise present a true and fair view, of Ruralco's financial position and performance in accordance with relevant accounting standards.

Review the half-yearly and annual financial statements, the Directors' Report and

management representations, discuss them with management and the external auditor and provide advice to the Board (including whether appropriate action has been taken in response to audit recommendations and adjustments to drafts of those statements and reports), with a view to recommending their signing by the Board.

3.2 RISK MANAGEMENT

Oversee management's design and implementation of a sound risk management framework and at least annually review the adequacy of that framework to identify effectively and manage business and financial risks, monitor compliance with applicable laws and regulations. The framework should address financial and non-financial risks with short, medium and longer term horizons.

Review and monitor the adequacy and effectiveness of management's reporting and risk management responses to determine whether a sound and effective approach has been followed and whether management is operating with due regard to the risk appetite set by the Board.

Establish, refresh and test Ruralco's business continuity planning arrangements and manage changes in its risk profile, including overseeing and reviewing the appropriateness of Ruralco's insurance program, any material incident involving fraud, any break down of risk controls or any other adverse events, including the "lessons learned". Receive reports from management on new and emerging sources of risk, including climate change, and the risk controls and mitigation measures that management has put in place to deal with those risks.

Review and monitor Ruralco's actual and emerging principal risk exposures and trends, including the main internal and external risk sources that could adversely affect Ruralco's prospects for future financial years and as well as threatening its social licence to operate and make recommendations to the Board in relation to changes that should be made to Ruralco's risk management framework or to the risk appetite set by the Board.

3.3 INTERNAL AUDIT

Review and advise the Board on the performance of the head of the internal audit function.

Review the adequacy of Ruralco's internal audit control framework including the scope and adequacy of the internal audit work plan and advise the Board on the adequacy of those resources to carry out its responsibilities, including completion of the approved internal audit plan.

Coordinate audit programs conducted by internal audit and other review functions.

Review all audit reports and provide advice to the Board on significant issues identified and the action to be taken on issues raised.

Monitor management's implementation of internal audit recommendations and periodically review the objectivity and performance of internal audit.

3.4 EXTERNAL AUDIT

Oversee and review the performance and independence of the external auditor and advise the Board on the appointment and removal of the external auditor.

Review the terms of the external auditor's engagement, the scope, adequacy and approach of the proposed annual audit program and appropriate materiality levels.

Review reports of the external auditor and assess the findings and recommendations contained in those reports, and monitor management's response and implementation of external audit recommendations. Advise the Board on the action to be taken on significant issues raised in relevant external audit reports or better practice guides.

4. RESPONSIBILITIES OF THE COMMITTEE – CORPORATE GOVERNANCE

4.1 GOVERNANCE DEVELOPMENTS AND ARRANGEMENTS

Review significant corporate governance developments relevant to the Committee's responsibilities.

Review Ruralco's annual corporate governance statement and any other disclosures made about corporate governance in Ruralco's annual report and make recommendations to the Board.

Periodically review Ruralco's governance arrangements or elements of the arrangements as determined by the Board and suggest improvements, where appropriate, to the Board.

Oversee the MD/CEO's delegation of authority to management.

4.2 INTERNAL CONTROLS – POLICIES AND PROCEDURES, CULTURE

Assess whether Ruralco has in place the relevant internal control policies and procedures that these are periodically reviewed and updated, and that there are effective processes in place to assess the effectiveness of the policies and procedures.

Assess how well Ruralco has embedded a culture which is committed to ethical and lawful behaviour

and which is aligned with Ruralco's values, risk appetite, goals and circumstances.

4.3 REPORTING

The Committee will report to the Board on its activities, including a summary of the work performed, a summary of Ruralco's progress in addressing the findings and recommendations made in internal and external audit and an overall assessment of Ruralco's risk control and compliance framework

5. COMMITTEE COMPOSITION AND CONDUCT

The Committee, including the Committee Chair (who must be an independent Director), is appointed by the Board.

The Committee will be comprised solely of non-executive directors, with a minimum of three non-executive Directors appointed at any time and with a majority being independent Directors.

Committee members are bound by Ruralco's **Code of Conduct** and **Related Party and Conflicts of Interest Policy**.

6. COMMITTEE MEETINGS

The Committee is to hold a minimum of four meetings per annum. The Committee Chair must call a Committee meeting if requested by the Chair of the Board and will decide if a meeting is required if the request is made by another Committee member. The quorum for Committee meetings is two persons.

The Committee Chair may request the attendance of a Director, any Ruralco Group employee or any external advisor at a Committee meeting, and those attendees may participate in Committee discussions, but they may not vote.

The Chair of the Board and each Director who is not a Committee member has a standing invitation to attend Committee meetings.

At the next Board meeting following a Committee meeting, the Committee will report on the outcomes of that Committee meeting and make its recommendations for Board consideration.

7. ACCESS TO MANAGEMENT AND ADVICE

The Committee members have complete, free and unfettered access to senior management, and to any other relevant internal and external party and information. Committee members may make enquiries, and request such information they consider desirable or necessary, to fulfil their responsibilities and support informed decision-making, in each case as the members see fit. Committee members may access management, and may make requests for information, through the Chair, the MD/CEO or the Company Secretary.

The Committee has authority to engage independent advisers, including external advisers and consultants where necessary to assist in the

selection process of suitable candidates, at Ruralco's expense, as the Committee determines necessary to carry out its duties.

8. REVIEW OF COMMITTEE PERFORMANCE AND CHARTER

With the assistance of the Board, the Committee undertakes an annual assessment of its performance, including against the requirements of its Charter.

The Board will review the contents and adequacy of this Charter at least annually.

Approved by the Board on 17 April 2019