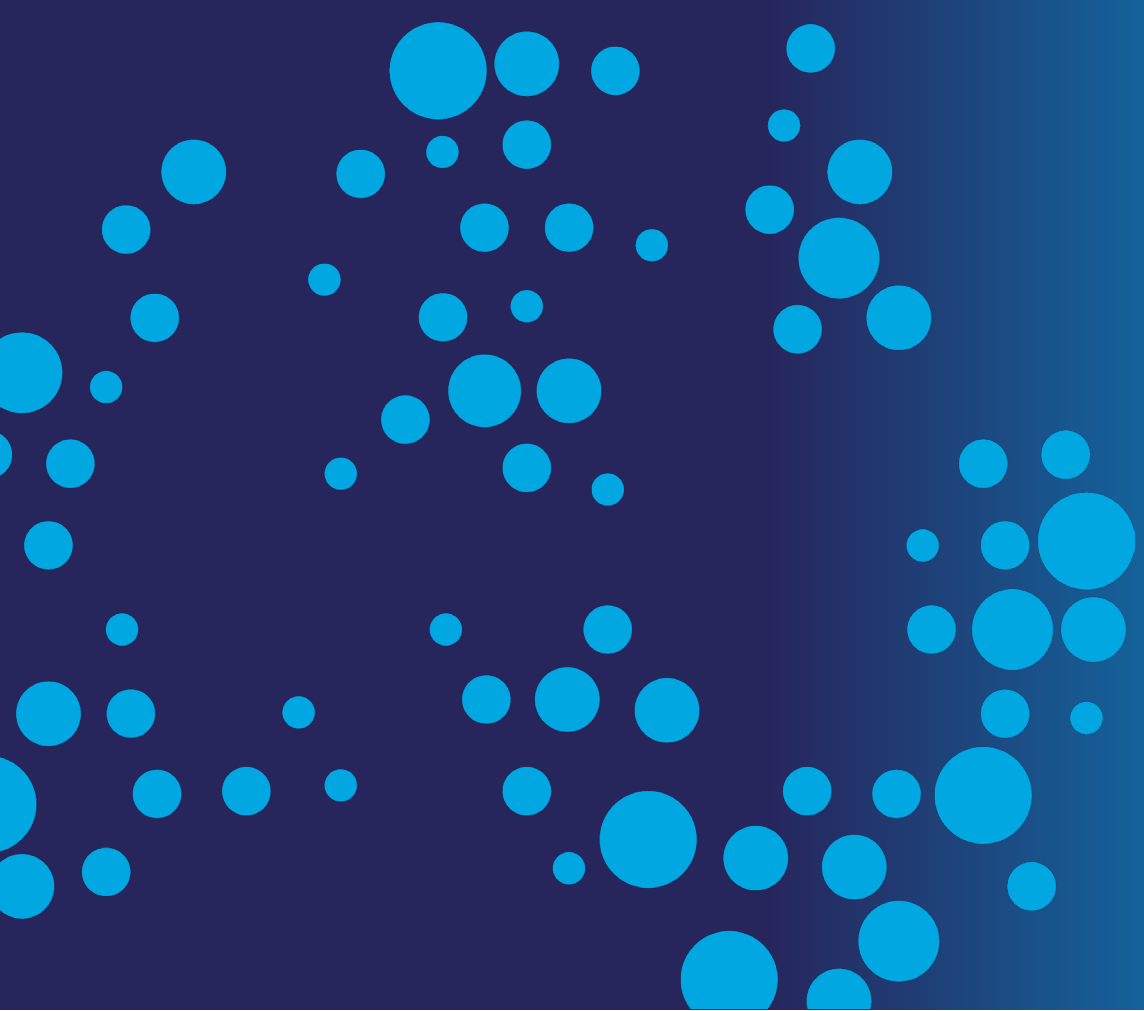


Audit, Risk and Compliance Committee – Committee Charter

22 November 2023



1 Membership of the committee

The committee shall:

- consist of a minimum of 3 members, all of whom are non-executive directors and the majority of whom are independent directors; and
- be chaired by an independent chair, who is not Chair of the Board.

The Board may appoint additional non-executive directors to the committee or remove and replace members of the committee by resolution. Members may withdraw from membership by written notification to the Board.

Members of management may attend meetings of the committee at the invitation of the Committee Chair, but must not be appointed members of the committee.

It is intended that all members of the committee must have familiarity with financial management and at least one committee member must have expertise in financial accounting and reporting.

2 Administrative matters

Any member may, and the Company Secretary must on request from a member, convene a meeting of the committee. Notice must be given to every committee member of every committee meeting but there is no minimum notice period and acknowledgment of receipt by all members is not required before the meeting may be validly held.

The committee will normally meet at least quarterly. A quorum is at least 2 members.

The committee may obtain information from and consult with members of management (including the CEO,¹ Chief Financial Officer or the Chief People Officer) as it considers appropriate.

The committee has rights of access to auditors (external and internal) with or without management present and rights to seek explanations and additional information.

The committee may, upon notifying the Board or the Chair of the Board, seek the advice of the Company's auditors or solicitors as to any matter pertaining to the powers, duties or responsibilities of the committee and may, with the prior approval of the Board or the Chair of the Board, engage any other independent advisers in relation to these matters, as the committee may require.

The Company Secretary or the Chief Financial Officer will attend all committee meetings as minute secretary. All minutes of the committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any director.

¹ A reference to the CEO in this Charter includes a reference to the Managing Director, where one has been appointed.

3 Reporting

The committee is responsible for satisfying itself that an appropriate framework exists for relevant information to be reported by management to the committee, including but not limited to information relevant to financial and non-financial risks that are relevant to the committee's responsibilities.

All Board committees report matters to the Board or to other committees where the matter is relevant to their responsibilities.

The Committee Chair will provide a brief oral report as to any material matters arising out of the immediately preceding committee meeting. All directors will be permitted, within the Board meeting, to request information of the Committee Chair or members of the committee.

4 Responsibilities and functions

4.1 Audit

The committee's role is primarily to assist the Board in relation to the reporting of financial information, the appropriate application and amendment of accounting policies, and the appointment, independence and remuneration of the external auditor.

The following form part of the committee's audit responsibilities:

- engaging in the pro-active oversight of the Adbri Group's (the Group) financial reporting and disclosure processes and overseeing and reviewing the outputs of that process (including review of the Group's financial statements for accuracy to ensure they reflect the committee members' understanding of, and otherwise provide a true and fair view of, the Group's financial position and performance, as a basis for recommendation to, and adoption by, the Board);
- review with management and the external auditor the financial report to be included in the annual report including:
 - the external auditor's responsibilities under generally accepted accounting standards;
 - significant accounting policies;
 - management judgements and accounting estimates;
 - adjustments arising from the audit; and
 - the external auditors' judgements about the quality, not just the acceptability, of accounting principles as applied in the financial report;
- assisting the Board in determining the reliability and integrity of accounting policies and financial reporting and disclosure practices;
- reviewing the process to verify the integrity of any periodic corporate reports released to the market that are not audited or reviewed by the external auditor;
- receiving the certificates from the Chief Executive Officer and the Chief Financial Officer as to the financial reports, the appropriateness of the company's risk management systems and efficient and effective working of those systems;

- monitoring compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- monitoring and reviewing the appropriateness of the accounting principles, judgements and choices adopted by management in the composition and presentation of financial reports and to approve any changes in the accounting principles applied in preparing the Group's financial reports;
- evaluating the performance of the external auditors, including their independence and objectivity and reviewing procedures for the rotation of external audit engagement partners;
- evaluating the performance of internal auditors, including whether the internal auditors are adequately resourced, objective, used effectively, and coordinated with the external auditors;
- reviewing, agreeing and approving the annual audit plan (including a review of the Group's risk management and internal compliance and control systems);
- meet separately with the internal and external auditors to (independently of management) discuss their results of their audits;
- setting the Group policy on the provision of non-audit services and ensuring compliance with that policy;
- providing advice to the Board as to whether the committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, including an explanation of why any such non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Cth) to be included in the Company's Annual Report;
- considering any report or other disclosures to be included in the Company's annual report or other communications to shareholders on the relationships between the external auditors and the Company (including disclosure of non-audit services);
- recommending the appointment (including termination of engagement), remuneration and other contractual terms of internal and external auditors; and
- establishing procedures for the consideration of any complaints received from within the Company regarding accounting, internal control, and auditing matters.

4.2 Risk

The committee is responsible for overseeing that there are appropriate processes in place for assembling, aggregating and reporting relevant information about financial and non-financial risks from across the Group's activities.

The committee also assists the Board to review, at least annually, the Company's risk management framework to satisfy itself that it continues to be sound and that management is operating with due regard to the risk appetite set by the Board.

The committee's specific function with respect to risk management is to review and report to the Board that:

- the Company's ongoing risk management program effectively identifies areas of potential risk including emerging risks such as digital disruption, cyber-security, privacy and data breaches;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The following form part of the committee's risk responsibilities:

- evaluating the adequacy and effectiveness of management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of risks (including balance sheet risks);
- evaluating the adequacy and effectiveness of the Group's financial and non-financial risk management control systems by reviewing risk registers and reports from management and external auditors;
- monitoring whether management is communicating the importance of internal control and management of risk throughout the Group and setting up an appropriate 'control culture';
- evaluating the structure and adequacy of the Group's Business Continuity Plans;
- evaluating the structure and adequacy of the Group's insurances on an annual basis;
- reviewing and making recommendations to the Board on the strategic direction, objectives and effectiveness of the Group's financial and non-financial risk management policies, as well as any changes to the Group's risk management framework and risk appetite;
- overseeing the establishment and maintenance of processes to ensure that there is:
 - an adequate system of internal control, management of business risks and safeguard of assets; and
 - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control;
- evaluating the Group's exposure to the risk of fraud, malfeasance or other breakdown of the Group's internal controls and overseeing investigations of such matters;
- reviewing and making recommendations to the Board in relation to tax updates and reports that the Committee receives in accordance with the Company's policy in relation to tax risk management and governance;
- providing recommendations as to the propriety of related party transactions; and
- reviewing and making recommendations to the Board in relation to public disclosures on financial and non-financial risks.

4.3 Compliance

The committee's specific function with respect to compliance is to review and report to the Board regarding the appropriateness of the Company's compliance procedures.

The following form part of the committee's compliance responsibilities:

- receiving and reviewing reports of material whistleblower complaints and any material reported breaches of the Company's policies (including the Code of Conduct, the Share Trading Policy, the Anti-Bribery and Corruption Policy and the Continuous Disclosure Policy);
- reviewing the policies and procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company or those that recognise the Company's business, environmental and statutory responsibilities, such as continuous disclosure, insider trading, trade practices, occupational health and safety and the environment), and monitoring compliance with such policies and procedures; and
- having regard to the risk and compliance issues reported to the committee, considering whether new policies or training should be implemented to safeguard against possible risks or non-compliance with applicable laws, regulations or Company policies, and making recommendations to the Board or other Board committees as appropriate.

5 Relationship with the external auditor

The committee requires that a person may not play a significant role in managing the audit for the external auditor (normally the lead and review auditor) for more than 5 out of any 7 successive years and that the external auditor:

- submit on a periodic basis to the committee, a formal written statement delineating all responsibilities and work completed by the auditor;
- consider whether the external auditor's provision of non-audit services to the Company (if any) is compatible with maintaining the independence of the external auditor; and
- if applicable, recommend that the Board take appropriate action in response to the external auditor's report to satisfy itself of the external auditor's independence.

6 Review

The Board will, at least once in each year, review the membership and charter of the committee to determine its adequacy for current circumstances and the committee may make recommendations to the Board in relation to the committee's membership, responsibilities, functions or otherwise.



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