



Ridley Corporation Limited

Audit and Risk Committee Charter

Role of the Audit and Risk Committee

The Audit and Risk Committee (**Committee**) of the Ridley Corporation Limited consolidated group (**Company**) has been established by the Company's Board of Directors (**Board**) to assist the Board in fulfilling its responsibilities to oversee financial reporting, internal controls, the maintenance of an effective risk management framework, including compliance, and the assurance provided by internal and external audit.

Authority

The Committee shall have the authority to discuss directly with management, the external or internal auditors, any issue within its remit and to request any report, explanation and information of any activity, policy or procedure, or accounts of the Company.

The Committee is authorised by the Board to seek external legal or professional advice pertaining to the responsibilities of the Committee as it may consider necessary.

Structure and Membership

The Board will nominate the Committee members and the Committee Chair.

The Committee must consist of at least three non-executive Directors, the majority of which are independent Directors as determined in accordance with the ASX Corporate Governance Principles and Recommendations.

The Committee Chair must not be Chair of the Board.

All members of the Committee should have sufficient financial expertise and training to allow them to discharge their responsibilities, with at least one member having a professional background and experience in financial and accounting matters.

The quorum of the Committee shall be two.

The Secretary of the Committee shall be the Group Finance Manager (alternate being the Company Secretary).

Meetings

Board members have a right, and are invited, to attend all meetings. The Chief Executive Officer (**CEO**) will normally attend all meetings.

The Committee shall meet at least four times each financial year.

External auditors, the Chief Financial Officer (**CFO**), and the Head of Risk and Internal Audit (**HRIA**) should be invited to attend and make presentations at meetings as appropriate.

An annual plan of meetings and activities will be adopted by the Committee. Special meetings can be convened as required through a request to the Chair.

The Chair is required to convene a meeting if requested to do so by any Committee member, director, the CFO, the HRIA or the external auditor.

The Committee may have in attendance such members of management or others (including advisers) as it determines necessary to provide additional information and explanations it may require to carry out its duties.

Committee papers will be distributed to all Board members.

Minutes of the meetings shall be taken and wherever possible, shall be included (or tabled in draft form) in the papers for the next full Board meeting after each Committee meeting and after receipt of consent to circulate the minutes from the Committee Chair. Where the proximity of the Board meeting to a Committee meeting effectively prohibits this from occurring, then the minutes shall be tabled at the following Board meeting and the Committee Chair shall provide the Board with a succinct summary of issues discussed, matters for Board attention and recommendations, and resolutions passed at, the Committee meeting.

As a Committee of the Board, the Committee will have a formal process for communicating with the Board through the Chair of the Committee, who will report to the Board the findings and recommendations of the Committee after each meeting.

The Committee has unrestricted access to all Company employees and records.

The Committee is empowered to retain independent counsel, accountants or others to assist it in the conduct of its responsibilities

Where impractical to convene and hold a meeting, the Committee may pass resolutions through each Committee member signing a circular resolution.

The Committee shall meet with the external and internal auditors in the absence of management whenever it is deemed appropriate and no less than biannually.

Roles and responsibilities

The Committee's roles and responsibilities are to review, oversee, and report to the Board on:

(i) Risk management and internal control

The risk management framework, encompassing an annual review thereof, risk assessment processes and registers, and performance and effectiveness of risk mitigating controls and actions.

The internal control systems implemented for the management of risks and for approval of transactions and recording and processing of financial data established to effectively safeguard the Company's assets, both real and intangible.

The development of risk management practices arising out of the application of the Strategic Risk Management Framework, including oversight of the process for the identification and assessment of the general business risks, for reviewing the outcomes of risk assessments, and for ensuring the adequacy of the internal processes for determining, managing and mitigating key risk areas.

The Financial Risk Management Policy, Commodity Risk Management Policy, Corporate Governance statement, Code of Conduct and the Taxation Policy, all of which support the Board Charter objective of effective management of risk throughout Ridley;

(ii) Financial Reporting

The half year and full year financial reporting by the Company, including the accounting policies adopted, any changes in accounting policies or practices and the corresponding financial and disclosure impacts.

(iii) Compliance with laws, regulations, internal policies and industry standards

The systems in place for ensuring compliance with laws, statutes, regulations, ethical and social guidelines, industry standards, complaints, and the Whistleblower Hotline, including the

establishment of procedures for the receipt and handling of complaints and Whistleblower Hotline issues.

(iv) Internal and external audit

The appointment of independent external auditors and the internal audit function by way of recommendation to the Board, including establishing guidelines for selection and appointment and compliance with the independence requirements contained in the Ridley Auditor Independence Policy.

The scope, approach and audit plan, and the performance of the internal audit function performed by the HRIA and of the external auditors, including:

- reviewing the annual plans, including scope and audit approach, and the degree of coordination between the two functions;
- approving the annual fees and disclosures thereof in the annual report;
- reviewing the audit materiality;
- overseeing external audit partner rotation;
- appraising the quality of the audit work;
- reviewing timeliness in reporting;
- confirming the continuity of independence of the external auditor throughout the period subject to audit in compliance with the Ridley Auditor Independence Policy;
- confirming any year end adjustments and disclosures;
- discussing with the auditors any material issues arising from the audits;
- ensuring that audit recommendations are acted upon in a timely and effective manner; and
- approving the performance of non-audit services in excess of the financial threshold as stipulated in the Ridley Delegations of Authority.

(v) Evaluating performance

An evaluation of the Committee charter and performance of the Committee and its members on an annual basis to determine whether it is functioning effectively and fulfilling its responsibilities as outlined in the Committee charter.