



AUDIT AND RISK COMMITTEE CHARTER

ROLE AND PURPOSE

The Board of Directors of Australian Eggs Limited (**Board**) has prime responsibility for the operations and strategies of Australian Eggs Limited (**Australian Eggs**). To assist the Board in discharging this responsibility the Board:

- delegates various powers and duties to the Managing Director and staff of Australian Eggs; and
- establishes committees Board committees.

The Board has established the Audit & Risk Committee (**A&R Committee**) to deliberate on certain matters and act in those areas on behalf of the Board.

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Audit & Risk Committee

The purpose and functions of the A&R Committee comprise:

- audit, including reviewing the auditors' Engagement Letter and Exit Report and reviewing the auditors' performance, the professional independence of the auditors, audit policies, procedures and reports, as a direct link between the Board and the auditors;
- financial statements, including reviewing:
 - financial statements, their accuracy and their effectiveness and compliance with accounting policies and standards and adequacy of disclosures; and
 - bank accounts and reconciliations to bank statements,
- appointment of external auditor, including reviewing the performance of the external auditor annually, and recommending to the Board any changes to the appointment deemed appropriate. The external auditor may attend meetings of the A&R Committee and may be available to answer questions from members about the conduct of the audit and the preparation and content of the audit report and the financial statements;



- Investment, including reviewing matters relating to the management of investments and considering whether it is in line with Australian Eggs policy. The A&R Committee may obtain advice from external investment advisors to review the effectiveness of the investment strategy and to consider whether such strategies are appropriate for the financial position;
- Fraud Control Plan, including reviewing and approving the Fraud Control Plan of Australian Eggs on an annual basis;
- risk management, including reviewing policies and reports on all major categories of risk and developing the corporate Risk Management Plan. To identify and own risk, Australian Eggs employs the Three Lines of Defence Model as follows:
 - the first line of defence is senior management and in particular the Finance & Corporate Services Manager/ Company Secretary who will identify risks, effective management or mitigations and record or escalate these;
 - the second line of defence is the Australian Eggs A&R Committee who have the oversight of the risk profile or framework; and
 - the third line of defence is an external auditor or reviewer charged with providing independent assurance of the appropriateness, effectiveness and adequacy of the risk management framework.
- IP Management, including reviewing policies and reports on all matters related to IP management and developing and reviewing the corporate IP Management Plan;
- compliance, including reviewing the effectiveness of the compliance program covering, but not limited to, Australian Eggs' statutory obligations and formal written policies;
- corporate governance, including regularly considering:
 - external trends and developments in relation to corporate governance;
 - the position Australian Eggs should take in respect to those issues; and
 - the adequacy of the existing corporate governance policies and procedures.
- Constitution, including reviewing and reporting on any constitutional issues facing Australian Eggs.

SCOPE OF AUTHORITY

The A&R Committee is afforded the power to make binding resolutions on behalf of the Board where:



- those deliberations are within the scope of the A&R Committee set out in this Charter; and
- a director has not requested that a matter considered by the A&R Committee is also considered for approval by the Board.

Where the A&R Committee acts outside of its scope or function, its deliberations are regarded as advisory only for Board consideration and approval. Such deliberations will be presented to the Board for adoption.

COMPOSITION AND STRUCTURE

The composition and structure of the A&R Committee is as follows:

- the A&R Committee shall include non-executive Directors;
- all A&R Committee members must have sufficient business and financial expertise to act effectively as members, as determined by the Board;
- the Chair of the A&R Committee is nominated by the Board and will not be the Chair of the Board;
- details of members' attendance at A&R Committee meetings during the last financial year are contained in the Annual Report; and
- the Managing Director and the Company Secretary may attend A&R Committee meetings by invitation.

MEETINGS

The A&R Committee will meet at least four times a year and on such other occasions as deemed necessary by the Chair. A quorum for the A&R Committee meeting will be three members.

The Chair of the A&R Committee will convene a meeting on the request of any director. Meetings may be held using any technology agreed to by each member, and members need not all be physically present together in the one place.

In the event of an equality of votes, the Chair of the A&R Committee has a casting vote.



REPORTING

Minutes will be recorded of all A&R Committee meetings and presented for adoption at the next meeting.

Resolutions passed at an A&R Committee meeting that are outside the scope and function of that Committee will be presented to the Board for consideration at the next available Board meeting.

REVIEW

The Board will review the contents of the A&R Committee Charter on an annual basis.