



**AUDIT AND RISK COMMITTEE
CHARTER**

UNITED MALT GROUP LIMITED
Level 28, 175 Liverpool Street
Sydney NSW 2000
ABN 61 140 174 189

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1 PURPOSE

The Board of United Malt Group Limited (**United Malt** or the **Company**) has constituted this Audit and Risk Committee (**ARC**) to assist the Board to fulfil its oversight responsibilities in respect of financial reporting, risk management, compliance and associated internal controls. The ARC will review the financial reporting process, the system of internal control and management of financial risks, and the process and coverage of internal and external audit together with business risks including strategic, operational and regulatory risk and compliance with applicable laws, regulations and Company policies.

2 COMMITTEE AUTHORITY

The Board authorises the ARC to:

- a) engage independent legal advice and other advisors, as it deems necessary, to carry out its duties in accordance with the Company's policies for engagement of external advisory services;
- b) have unrestricted access to management, employees and all relevant Company information;
- c) recommend to the Board the appointment, compensation and retention of the external auditors and oversee their work;
- d) approve all audit engagement fees and terms as well as reviewing policies for the provision of non-audit services by the external auditor and when required the framework for pre-approval of such services;
- e) establish procedures for the receipt, retention and proper investigation and handling of complaints received by the Company regarding accounting, internal controls, auditing or risk related matters; and
- f) recommend changes to existing policies where necessary to improve financial reporting, internal controls and risk management.

3 MEMBERSHIP

- a) The ARC shall be comprised of at least three independent non-executive Directors.
- b) A quorum for any meeting will be two members.
- c) The Chair and members of the ARC shall be appointed by the Board. The Chair shall be an independent Director who is not the Chair of the Board.

4 COMMITTEE MEETINGS

- 4.1 The ARC is expected to maintain free and open communication with the external auditor, the internal auditor and with management.
- 4.2 All directors are entitled and invited to attend meetings. The Committee may invite other persons to its meetings as it deems necessary.
- 4.3 The Secretary of the ARC will be the Company Secretary unless the Committee determines otherwise.
- 4.4 The internal and external auditors should be invited to make presentations to the ARC as appropriate and the Committee shall meet privately with each of the internal and external auditors at least once a year.
- 4.5 Meetings shall be held not less than twice per year and should correspond with the Company's financial reporting cycle to ensure a consistent program of compliance oversight is applied.
- 4.6 Special meetings may be convened as required. The Secretary will convene a meeting on receipt of a request by a member of the Committee, the internal auditor or the external auditor, with the approval of the ARC Chair.
- 4.7 Meetings may be held by the members communicating with each other through any means by which they can participate in discussion even though they may not be physically present in the same place.
- 4.8 The Secretary is responsible for coordinating the timely despatch of meeting agendas and committee papers to members prior to each meeting.
- 4.9 The Secretary will take minutes of all meetings and keep records of all meetings held, papers submitted to meetings and recommendations made by the ARC.
- 4.10 Decisions of the ARC will be by majority vote. Any dissenting member shall be entitled to have his/her opinion recorded in the minutes.
- 4.11 The ARC may approve resolutions by circular resolution as required. A copy of the written resolution passed shall be provided to the ARC's next meeting.
- 4.12 The Chair of the ARC will communicate the proceedings of the Committee to the Board after each meeting. Copies of the minutes of meetings of the ARC will be circulated to all Directors at the next full Board meeting following approval of the minutes by the ARC Chair.

5 RESPONSIBILITIES

The key responsibilities of the ARC are to review the Company's financial statements and reporting and to evaluate the overall effectiveness of internal controls and risk management and compliance policies and procedures.

The Committee's oversight function includes the following:

5.1 Financial Statements

- a) Review the half year and annual financial statements and receive assurance from management that the statements comply with the Company's accounting policies and principles and all applicable statutory requirements.
- b) Review and recommend for acceptance by the Board significant estimates and judgements contained in the financial reports.
- c) Satisfy itself that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice have been duly considered.
- d) Review the declarations made by the Chief Executive Officer and Chief Financial Officer in relation to the Company's financial statements, financial records and systems.

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- e) Recommend for adoption by the Board the Company's half year and annual financial statements and reports.
- f) Obtain regular updates from management regarding compliance matters that have a material impact on the Company's financial statements and its risk compliance policies.

5.2 Financial Reporting

- a) Regularly update the Board about ARC activities and make appropriate recommendations.
- b) Keep the Board informed of matters which may significantly impact the financial condition of the business or its financial accounts, including key matters of judgement.
- c) Escalate any issue of significant non-compliance or fraud to the Board in accordance with the Company's Escalation Policy.
- d) Approve or recommend to the Board reports required by law or ASX Listing Rules or requested by the Board.

5.3 Internal Control

- a) Evaluate whether management is embedding a "risk and control culture" by communicating the importance of internal controls and risk management polices to all employees and other relevant parties.
- b) Understand the internal control systems implemented by management for the approval of transactions and the recording and processing of financial data.
- c) Review the effectiveness of the controls and processes implemented by management designed to ensure that financial statements comply with relevant standards and are subject to appropriate review by management.
- d) Consider with management and the internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues.
- e) Receive and review all significant correspondence relevant to financial reporting and the preparation of the financial statements received by the Company including material communication with regulators.
- f) Review at least annually the Company's risk management policies including credit, treasury and trading policies, and delegation limits.
- g) Monitor compliance with the Company's credit, treasury and trading policies and review reports from management of any non-compliance together with actions taken to remedy instances of non-compliance.

5.4 External Audit

- a) Review annually the performance of the external auditor and make recommendations to the Board for the appointment, reappointment or termination of the appointment of the external auditor, consistent with the policy that no individual may be the external audit partner for more than five consecutive years.
- b) Regularly review the independence of the external auditor in light of the range of services provided to the Company and obtain and consider the independence declaration required under the Corporations Act from the external auditor.
- c) Review the external auditor's proposed audit scope, proposed fees, expertise and resources for the current year in light of the Company's circumstances and changes in regulatory and other requirements.
- d) Review with the external auditor the appropriateness of the accounting policies applied in the Company's financial reports.

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- e) Discuss with the external auditor any issues encountered in the course of the audit work, including any restriction on audit scope or access to information and any disagreements with management or material matters.
- f) Be satisfied that significant findings and recommendations made by the external auditor are received, discussed and appropriately acted upon by management, as agreed, on a timely basis.

5.5 Internal Audit

- a) Review the internal audit plan to assess whether it addresses key strategic, operational and compliance risks.
- b) Review the activities of the internal audit function to assess whether any unjustified restrictions or limitations have affected its work.
- c) Ensure that significant findings and recommendations made by the internal auditor are received, discussed and appropriately acted upon by management on a timely basis.
- d) Review the performance of the internal auditor and recommend to the Board the appointment, reappointment or termination of the internal auditor as appropriate.

5.6 Risk Management and Control Framework

- a) Receive reports from management that identify, evaluate, manage and mitigate significant risks that may affect the achievement of United Malt's business objectives including new and emerging sources of risk.
- b) Review the framework and methodology for identifying, evaluating, managing, mitigating and reporting business risks.
- c) Monitor compliance with United Malt's risk management policy and the statement of risk appetite approved by the Board.
- d) Recommend new policies or amendments to the existing risk management framework, policies or statement of risk appetite of the Company that may be desirable for the effective management of business risk.
- e) Receive periodical reports from management concerning trading related credit, treasury, liquidity, foreign exchange, derivative, country and sovereign risks, and assess their alignment to United Malt's business risk appetite.

5.7 Reporting

- a) Regularly update the Board on ARC activities and make appropriate recommendations.
- b) Keep the Board informed of matters which may significantly impact the financial condition of business or its financial accounts, including key matters of judgement.
- c) Escalate any issue of significant non-compliance or fraud to the Board in accordance with the Company's Escalation Policy.

5.8 Operational Risks

- a) Oversee the development and implementation of United Malt's business continuity, disaster recovery and emergency management plans.
- b) Oversee management's control framework to manage and mitigate cyber security and data protection risks.
- c) Receive reports from management concerning the extent and adequacy of the Group's annual insurance program, as well as recommend insured and un-insured risk parameters.

5.9 Other Responsibilities

- a) Review significant corporate governance developments relevant to the ARC's responsibilities.
- b) Oversee and review the Company's anti-bribery and corruption framework, including the anti-bribery and corruption policy and its applicable procedures and any reported non-compliance.
- c) Evaluate and if appropriate approve, reject or impose any conditions on any proposed or ongoing contractual relationship with any high risk third party in relation to which a Red Flag has been raised, in accordance with United Malt's Anti-Bribery and Corruption Policy.
- d) Review potential dealings with sanctioned countries and counterparties in sanctioned countries, and the processes, systems and controls implemented by Management to ensure ongoing compliance with global sanctions regimes.
- e) Receive reports from management of any modern slavery issues involved in United Malt's supply chains and oversee mitigation strategies.
- f) Perform any other duties and undertake or oversee any specific projects as the Board may from time to time request.

6 COMMITTEE PERFORMANCE

- 6.1 The ARC will evaluate its performance on an annual basis and assess achievement of the responsibilities specified in this Charter and report the findings to the Board on an annual basis.
- 6.2 The Committee shall review its Charter annually and recommend any desired changes to the Board for approval.

Adopted by the United Malt Board in January 2020.



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