

AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE CHARTER

1 ABOUT THE CHARTER

Introduction

This charter sets out the End Food Waste Australia Limited (EFWA) Audit, Risk Management and Compliance Committee's (ARMC) composition, responsibilities and meeting and reporting processes.

Establishment of Audit, Risk Management & Compliance Committee

- (a) The Board of EFWA (the Company) has established an Audit, Risk Management & Compliance Committee (the Committee) to assist the Board discharge its responsibilities relating to:
 - (i) oversight of the risk management, control and compliance framework (including regulatory requirements) established by the Board and management;
 - (ii) oversight of liquidity management and adequacy of financing facilities covering operations and capital expansion requirements;
 - (iii) the integrity of the Company's financial statements;
 - (iv) oversight of the appointment of and performance of the external auditor and the integrity of the audit process as a whole;
 - (v) review of the effectiveness of the Company's systems for risk management, internal control and finance and audit reporting
 - (vi) compliance with the Commonwealth's governance and reporting requirements as specified in the Grant Agreement.

- (b) The Committee has authority from the Board to review and investigate matters within the scope of this Charter and make recommendation to the Board in relation to any action. Except where indicated to the contrary in this Charter, the Committee has no delegated authority from the Board to approve any action arising from its reviews and investigations and the Board retains authority over such matters other than those matters detailed in the Company's Delegation Policy.

- (c) The Committee has the following delegated decision making authority:
 - i Approval of the external Audit Plan
 - ii Approval of the management financial accounts
 - iii Placement of funds on term deposit (or substantially similar investment product)
 - iv Minor changes to company policies

- (d) This Committee and the functions it performs do not diminish the ultimate responsibility of the Board in the subject matter of this Charter.

2 COMPOSITION

Membership

- (a) Committee members will be appointed by the Board and comprise at least three (3) members who are non-executive directors plus any external members as determined by the Board.
- (b) The Chair of the Committee will be appointed by the Board. The Chair must be an independent non-executive director.
- (c) Should the Committee Chair be absent from a meeting, the members present at the meeting will choose one of their number to be chair for that particular meeting.
- (d) The Committee secretary will be agreed between the Committee and the CEO.

Appointment and Term

- (a) The Board decides appointments, rotations and resignations within the Committee having regard to the *Corporations Act 2001* (Cth) and EFWA's Constitution.
- (b) In the event that a Committee member ceases to be a Director of the Board, it will result in the automatic termination of appointment as a member of the Committee.
- (c) The term for external members is decided by the Board.

3 RESPONSIBILITIES

Risk Management

The Committee will review and where appropriate make recommendations to the Board on the following matters:

- (a) formulation of the Board's risk appetite and tolerance statement with reference to the Company's strategic objectives;
- (b) risk management associated with individual high-risk projects and major change initiatives;
- (c) at least annually, the Company's Risk Management Framework and Risk Management Plan;
- (d) reports from management concerning the implementation of the Company's Risk Management Framework and Risk Management Plan, including the discretions conferred on management, in order to oversee their effectiveness and recommend variations if deemed appropriate;
- (e) reports from management concerning the Company's insurance strategy, including the coverage and limits of the insurance policies, and, if thought fit, endorse said policies or formulate amendments for Board consideration; and
- (f) the continuing appropriateness of risk management policies.

Compliance

The Committee will review and where appropriate make recommendations to the Board on the following Compliance matters:

- (a) the Company's compliance principles and policies, strategies, processes and controls, including compliance with discretions conferred on management, in order to oversee their effectiveness and, if thought fit, recommend variations to them;
- (b) the compliance implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives;
- (c) the company's compliance with obligations in the Grant Agreement with the Commonwealth;
- (d) the Company's compliance with the Core Participants Agreement and other applicable external obligations and significant internal policies;
- (e) any correspondence from regulators and others regarding the Company's financial reporting, tax and related matters and management's response to them; and
- (f) compliance with ACNC and ASIC statutory reporting requirements and Company's Constitution.

External Audit

With respect to External Audit, the Committee will:

- (a) recommend to the Board the appointment (and where appropriate, replacement) of the external auditors;
- (b) review and recommend to the Board the external audit plan, scope and fee;
- (c) review reports and recommendations prepared by the external auditors and management's response thereto;
- (d) evaluate the overall effectiveness and performance of the external audit;
- (e) periodically evaluate the independence of the external auditors by considering the relationships and services provided by the external auditors and others that may lead to actual or perceived lack of independence;
- (f) maintain open lines of communication between the Board, management and the external auditors, thus enabling information and points of view to be freely exchanged;
- (g) on an annual basis meet with the external auditors without management present; and
- (h) recommend to the Board the categories of non-audit services that may be undertaken by the external auditors. In the event that the auditor provides non-audit services to the Company, they can only do so if the services are not materially in conflict with the role of auditor unless specifically approved by the Company Board

Financial Management and Reporting

With respect to financial management and reporting, the Committee will review and make recommendations to the Board on:

- (a) the appropriateness of accounting policies and practices and recommended changes, based on reviews of policies and practices applicable to the Company and presented by management;

- (b) reports from management, accounting service provider and the external auditors on any significant proposed regulatory, accounting or reporting changes, to assess their impact upon the Company's financial reporting process;
- (c) the Company's draft half yearly and annual financial statements, and notes to the financial statements and reports from management outlining variances from the previous period;
- (d) the adequacy and competitiveness of the Company's financing facilities and overall solvency position;
- (e) the draft of the annual Directors' Report;
- (f) certifications provided by the CEO and the Business Manager (or equivalent position) on annual financial reports and the processes that were used to reach the opinion provided; and
- (g) the adequacy and effectiveness of the Company's management information, accounting control systems and accounting policies.

4 MEETINGS

- (a) The Committee will meet as frequently as considered necessary by the Committee for it to discharge its role effectively.
- (b) The Committee Chair must convene a meeting if requested to do so by any Committee member, the CEO, the Business Manager (or equivalent position) or Company Secretary.
- (c) Members of the Board who are not Committee members may attend Committee meetings.
- (d) The CEO will attend Committee meetings unless not required by the Committee Chair.
- (e) The audit partner or partners of the Company's auditor responsible for the statutory audit will be invited to attend Committee meetings when appropriate.
- (f) Meetings may be held in person, or by telephone, video or internet conferencing.
- (g) The timing of Committee meetings will be decided in consultation with management.
- (h) The Committee Chair, assisted by the Committee secretary, is responsible for creating and circulating the agenda for meetings, and keeping the minutes of meetings and circulating them to Committee members and to other Board members.
- (i) A quorum for a meeting consists of two people that are either members of the Committee or members of the Board.
- (j) A motion will be passed by a simple majority of votes cast in favour by Committee members and Board members (other than Committee members) present and eligible to vote. In the event of an equal number of votes being cast for and against a motion, the Committee Chair will have a casting vote.
- (k) The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in section 248A of the *Corporations Act 2001 (Cth)*.

5 MINUTES OF COMMITTEE MEETINGS

- (a) The Committee must keep minutes of its meetings

- (b) Minutes of each Committee meeting must be included in the papers for the next full Board meeting after each meeting of the Committee.
- (c) Minutes must be distributed to members of the Committee after the Chair has approved them
- (d) Minutes, agendas and supporting papers are available to all directors upon request to the Committee secretary, except if a conflict of interest exists.

6 ACCESS

- (a) The Committee may seek information it considers necessary to fulfil its responsibilities.
- (b) The Committee has all reasonable access to external consultants within an annual budget approved by the Board and to senior management of the Company to fulfil its responsibilities
- (c) The Committee Chair will brief the Board on any externally sourced advice at the next appropriate Board meeting.

7 FEES

Committee members are not entitled to receive remuneration for serving as a member of the Committee. Payment to non-director committee members is decided by the Board.

8 PUBLICATION

Key features of the Charter will be outlined in the Annual Report and a copy of the Charter placed on the Company website in line with best governance.

9 REVIEW

- (a) This Charter will be reviewed by the Committee, and if necessary, updated annually and any changes will be recommended to the Board for the Board's approval.
- (b) The Committee will review its performance annually and report to the Board on the outcome of that evaluation

APPROVAL

Approved



John Webster

Date 30 April 2020

Chair EFWL Board

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| 1 | 24 October 2018 | FFWL Board | Initial version | 24 Oct 2018 | Board Members |
| 2 | 30 April 2020 | FFWL Board | To allow for board members that are in attendance but not members of the committee to count towards the attainment of a quorum and for passing motions. | 19 May 2020 | Board Members |
| 3 | 27 Janaury 2021 | ARMC | To provide the ARMC with some delegated decision making authorities as agreed with the Board | 2 Frb 2021 | Board Members |
| 4 | 8 April 2025 | Company Secretary | Branding and company name updted | | |