



Charter

Finance & Audit Committee Charter

Inghams Group Limited (Company)
ACN 162 709 506

Adopted by the Board on 20 February 2020



Finance & Audit Committee Charter

1 Membership of the Committee

The Committee must consist of:

- only non-executive directors;
- a majority of independent directors;
- an independent chair, who is not chair of the Board; and
- a minimum of 3 members of the Board.

Committee membership must not be identical to the Risk & Sustainability Committee.

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.

Non-committee members, including members of management and the external auditor, may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

It is intended that the members of the Committee between them should have the appropriate accounting and financial expertise, and a sufficient understanding of the industry in which the Company operates, to be able to effectively discharge the Committee's responsibilities.

The Company Secretary, or his or her delegate, is minute secretary for meetings of the Committee.

2 Role & Responsibilities

2.1 Overview

The Committee's primary role is to assist the Board in discharging its duties in relation to financial risk management, financial reporting, management of the external and internal audit functions and other matters determined by the Board.

Specifically, the Committee's key responsibilities are to:

- (a) oversee the integrity of the Company's financial reporting;
- (b) oversee the Company's financial controls and systems;
- (c) oversee the Company's relationship with the external auditor and the external audit function generally; and
- (d) oversee the Company's relationship with the internal auditor and the internal audit function generally;

Where appropriate liaising with the Risk and Sustainability Committee and People and Remuneration Committee to refer matters that have come to the attention of the Committee that are relevant to those Committees.



2.2 Financial Reporting

The Committee is responsible for:

- Review the Company's corporate and financial reporting and disclosure processes (including the accounting policies, judgements and choices adopted by management) and make recommendations to the Board in relation to the adequacy of those processes.
- Review the Company's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company, as a basis for recommendation to and adoption by the Board.
- Reviewing the representations made by management in relation to external reporting
- Receive and review reports of the external audit of the Company's financial statements.
- Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.

2.3 Internal Control

The Committee is responsible for:

- Ensuring that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.
- Reviewing and discussing with management, the external and internal auditors, the overall adequacy and effectiveness of the Company's financial assurance programs.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters (including procedures for the confidential, anonymous submission of concerns by employees).

3 Relationship with the external auditor

The Committee provides a link between the external auditor and the Board and has the responsibility and authority for the selection, appointment, compensation, rotation and removal of the external auditor and to review the terms of its engagement and their performance.

The Committee reviews and makes recommendations to the Board in relation to the scope and adequacy of the external audit (including the independence and performance of the external auditor) and is to confirm that there have been no unjustified restrictions or limitations placed on the auditors.

The Committee regularly will meet with the external auditor without the presence of management.



The Committee oversees compliance with the Company's policy on the engagement of the external auditor to supply non-audit services ensure compliance with that policy and provide 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, and an explanation of why those non-audit services do not compromise audit independence required by the *Corporations Act 2001* (Cth).

The Committee is responsible for overseeing the Company's external audit policy a copy of which is attached as Attachment 2.

4 Relationship with the internal auditor

The Committee will provide a link between the internal audit function and the Board. The head of the internal audit function will have a direct reporting line to the Committee and, therefore, to the Board. The Committee will review and approve the appointment and dismissal of the head of internal audit.

The Committee will have responsibility for:

- (a) reviewing the internal auditor's objectives, competence and resourcing (including determining whether the internal audit function is to be provided by an internal or external party provider);
- (b) ensuring an appropriate program and scope of internal audit activity is conducted each financial year;
- (c) reviewing and monitoring the progress of an internal audit and work program (without the presence of management);
- (d) ensuring no unjustified restrictions or limitations on their program; and
- (e) evaluating and critiquing management's responsiveness to internal auditor's findings and recommendations.

5 Rights of access and authority to management and auditors

The Committee has rights of access to management and to auditors without management present, and rights to seek explanations and additional information from both management and auditors. Whilst any internal audit function in place from time to time will report to senior management, it is acknowledged that any internal auditors also will report directly to the Committee.

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.

The Company Secretary will conduct an annual review and report to the Committee on conformance to this Charter.

7 Administrative matters and procedures

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.



Attachment 1

Administrative matters and procedures

Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet quarterly.

Quorum

The quorum is at least 2 members.

Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

Independent advice

The Committee may seek the advice of the Company's auditors, solicitors or other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee.

Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee chair, be presented at the next Board meeting. All minutes of the Committee must be entered into a minute book maintained for that purpose and be available for inspection by any director.

Reporting

It is intended that a report of the actions of the Committee and a copy of the minutes of the Committee meeting or both will be included in the Board papers for the Board meeting next following a meeting of the Committee.

The Committee chair will, if requested, provide a brief oral report as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.



Attachment 2

External Audit Policy

Appointment

The Audit and Risk Committee (**Committee**) has the responsibility and authority (subject to *Corporations Act 2001* (Cth) requirements) for the appointment, reappointment or replacement and remuneration of the external auditor as well as evaluating its effectiveness and independence. The Committee will review the appointment of the external auditor annually based on its assessment of the auditor's performance.

Assessment of External Auditor

The Committee will review the performance of the external auditor on an annual basis after completion of the year-end audit. In evaluating its effectiveness, the Committee will assess the external auditor based on a number of criteria including but not restricted to:

- the overall comprehensiveness of the external audit plan;
- the timeliness and quality of communications promised under the plan and delivered during the audit;
- the competency and industry knowledge of external audit staff; and
- the adequacy of resources to achieve the scope as outlined in the plan.

The Committee will seek feedback from management during the assessment process.

Independence

The Committee will review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The review and assessment will be carried out annually at the time the external auditor presents its annual audit plan.

Prior to this review, the Committee will request a report from the external auditor which sets out all relationships that may affect its independence, including the provision of non-audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.

Before the directors approve the half-year and full year accounts, the external auditor will be asked to provide a declaration testifying to its independence in respect of the financial period in question. The external auditor will have a continuing obligation to notify the Committee, via the Company Secretary, of any new information it believes may be material to reviewing its independence.

The Committee has responsibility to develop and oversee the implementation of the Company's policy on the engagement of the external auditor to supply non-audit services and to ensure compliance with that policy.

Rotation of External Audit Engagement Partner

The external audit engagement partner is generally required to rotate at least once every 5 years. If appropriate, the Board may, following a recommendation from the Committee, extend the eligibility term of the audit engagement partner in accordance with the *Corporations Act*.