



RABOBANK AUSTRALIA LIMITED

ABN 50 001 621 129

BOARD AUDIT COMMITTEE CHARTER

Effective: 9 December 2025

1 Purpose of Charter

This Charter sets out the authority, responsibilities, membership and operation of the Board Audit Committee (**Committee**) of Rabobank Australia Limited (**Company**).

2 Authority

- 2.1 The Committee is appointed and authorised by the Board of Directors of the Company (**Board**) to assist the Board in fulfilling certain of its statutory, fiduciary and regulatory responsibilities and to provide objective, non-executive review and oversight of the implementation and effectiveness of the Company's financial reporting, regulatory reporting, tax risk management and audit frameworks and functions.
- 2.2 The authority of the Committee is sourced from:
 - (a) the Company's Constitution;
 - (b) this Charter; and
 - (c) Board delegations, resolutions and approvals granted to it from time to time.
- 2.3 The Committee has the authority to conduct or direct any investigation required to fulfil its responsibilities and may retain, at the Company's expense, such legal, accounting, financial, corporate governance or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.
- 2.4 The Committee may form and delegate authority to sub-committees comprised of one or more members. Any such sub-committee will have the full power and authority of the Committee, subject to the terms of its delegated authority, and must report to the Committee in relation to material developments arising in the exercise of that authority.

3 Duties and Responsibilities

- 3.1 The Committee is responsible for providing a non-executive review of:
 - (a) the Company's accounting, financial statements and reporting;
 - (b) the Company's external audit processes, including the appointment, evaluation, management, removal of and fees payable to the Company's external auditor;
 - (c) the Company's Internal Audit processes, including appointment and removal of the Chief Audit Officer, Regional Australia and New Zealand (**CAO RANZ**) by the Board (with the prior approval of the shareholder and the Chair of the Management Team Wholesale and Rural (**MTWR**) and following consultation with the Chief Audit Officer Wholesale & Rural (or equivalent));
 - (d) compliance with applicable accounting standards and policies and statutory and regulatory accounting requirements to give a true and fair view of the financial position and performance of the Company;

- (e) compliance with prudential regulatory reporting requirements (taking into account the Board's allocation of responsibility for review of risk to the Board Risk and Compliance Committee); and
- (f) tax risk and tax governance arrangements.

3.2 In performing the oversight responsibilities referred to in clause 3.1, the Committee may make recommendations to the Board, as it sees fit.

3.3 Accounting Practices and External Reporting

Financial Statements and Reporting

- (a) reviewing the effectiveness of the Company's financial reporting framework, including the internal controls and processes established by management to support the integrity of reporting and compliance with financial reporting requirements and relevant accounting and reporting standards.
- (b) reviewing the Company's audited financial statements and any reports that accompany published financial statements and, following discussion with management and the external auditor, recommend their approval by the Board and referral to the shareholder for adoption or approval.
- (c) reviewing and considering significant accounting and financial reporting matters raised by management and internal and external audit, with input from management, internal and external audit, where appropriate.
- (d) reviewing and considering material judgments made by management in relation to the quality and appropriateness of the Group's accounting principles and their application.
- (e) assessing the adequacy of the review processes relating to loan loss provisioning.

Climate Disclosures and Sustainability Reporting

- (f) reviewing the effectiveness of the Company's climate related disclosure framework, including the internal controls and processes established by management to support the integrity of disclosures and sustainability reporting and compliance with disclosure requirements and relevant reporting standards.
- (g) reviewing the Company's audited climate related disclosures and sustainability reporting and following discussion with management and the external auditor, recommend their approval by the Board and referral to the shareholder for adoption or approval.
- (h) reviewing and considering significant climate related and sustainability reporting matters raised by management and internal and external audit, with input from management, internal and external audit, where appropriate.

Prudential and Regulatory Reporting

- (i) reviewing the effectiveness of the Company's prudential and statutory reporting framework, including the controls and processes established by management to support the regulatory reporting certifications and attestations of the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**), and the disclosures made in those certifications and attestations.
- (j) reviewing the process for compiling major reports to financial sector and prudential regulators.

3.4 External Audit

Financial Statements, Disclosures and Reporting

- (a) in consultation with management, reviewing the effectiveness of the Company's financial reporting systems and internal controls with the external auditor.
- (b) in consultation with management, reviewing the scope of the external audit plan and the scope of work of the external auditor performed for the purpose of preparing or issuing an audit report. This includes annually reviewing the external audit plan so that it considers relevant material risks, financial reporting, climate related disclosures and sustainability reporting requirements and the adequacy of the internal audit plan.
- (c) regularly reviewing the external audit findings with management and Internal Audit and monitoring the management of those findings to determine whether they are being managed and addressed in an appropriate and timely manner by management.
- (d) meeting privately, at least annually, with the external auditor.

Adequacy and Independence

- (e) reviewing the independence and effectiveness of the external audit function.
- (f) reviewing the external auditor's engagement, at least annually, including making an assessment of whether the external auditor meets the auditor independence tests set out in the APES Code of Ethics for Professional Accountants and the additional auditor independence requirements set out in regulatory standards or guidelines.
- (g) obtaining, when considered appropriate by the Chair, from the external auditor a written statement delineating all relationships (including both audit and non-audit services) between the external auditor and the Company and any of its associated entities to assess the auditor's independence.
- (h) maintaining oversight of and approving all auditing services and all permitted non-audit services (including fees and terms thereof) to be performed for the Company by the external auditor, to the extent required by law.
- (i) monitoring compliance with prudential regulations regarding the rotation and employment of external audit personnel, and whether they are fit and proper persons for the purposes of the Australian Prudential Regulation Authority (**APRA**) prudential standards.
- (j) reviewing and approving the external auditor's annual fees.

Relationship/Term

- (k) endorsing the appointment or replacement of the external auditor (with the prior approval of the shareholder and the Chair of the MTWR and following consultation with the Chief Audit Officer Wholesale & Rural (or equivalent)).
- (l) with the support of Audit Rabobank, ensuring that controls are in place regarding the term of appointment of the external audit engagement partner and lead review partner under relevant legislation and professional standards.

3.5 Financial Risk Management and Compliance

- (a) taking into account the Board's allocation of responsibility for the review of risk to the Board Risk and Compliance Committee, reviewing the internal financial control systems and compliance processes for accounting, external financial and regulatory reporting, including climate related disclosures and sustainability reporting.

- (b) establishing and maintaining procedures so that matters relevant to the Board Risk and Compliance Committee, the Board People and Remuneration Committee, the Board Nominations Committee or the Board that come to the attention of the Committee are referred (as appropriate) to that Committee.

3.6 Internal Audit

Risk Management

- (a) annually reviewing and approving the scope of the Internal Audit Plan with management, so that it:
 - (i) covers material risks;
 - (ii) complies with applicable professional standards, requirements, rules and guidelines established by Audit Rabobank relating to the Company; and
 - (iii) is executable by an adequately resourced and independent Internal Audit function.
- (b) reviewing and, if appropriate, approving any subsequent changes to the Internal Audit Plan.
- (c) regularly reviewing the progress of work performed in relation to the Internal Audit Plan (including reviewing the findings of Internal Audit so that matters are being managed and addressed in an appropriate and timely manner).
- (d) reviewing Internal Audit periodic reports on compliance with, and effectiveness of, the risk management framework and internal control environment.
- (e) meeting privately, at least annually, with the CAO RANZ.

Adequacy and Independence

- (f) reviewing the adequacy, independence and effectiveness of the Internal Audit function, including having regard to its mission and scope of activities as set out in the Audit Charter (Australia).
- (g) assessing whether the Internal Audit function is independent of management and the external auditor, and whether there is unfettered access to management and rights to seek information at all times.
- (h) evaluating activities that are outsourced by the Internal Audit function.

Management of the Internal Audit function

- (i) reviewing the responsibilities, resourcing and staffing of the Internal Audit function and, if appropriate, recommending changes to management.
- (j) ensuring the CAO RANZ has a direct reporting line and unfettered access to the Committee.
- (k) in consultation with Audit Rabobank, monitoring the performance, endorsing the appointment and, if appropriate, the removal of the CAO RANZ, subject to the prior approval of the shareholder and the MTWR and following consultation with the Chief Audit Officer Wholesale & Rural.
- (l) resolving any disputes escalated by the CAO RANZ to the Committee Chair.

3.7 **Tax**

- (a) in consultation with management, reviewing the effectiveness of the tax risk management and governance arrangements.
- (b) overseeing and monitoring tax risks.

3.8 **Other Responsibilities**

- (a) members will be available to meet with regulators (including, inter alia, APRA, Australian Securities and Investment Commission (**ASIC**), Australian Transaction Reports and Analysis Centre (**AUSTRAC**), De Nederlandsche Bank (**DNB**) and the European Central Bank (**ECB**)) on request.
- (b) examining any other matters referred to it by the Board.

3.9 **Limitations**

The Committee does not have the duty to:

- (a) conduct audits (it is the auditor's responsibility, in consultation with management, to plan and conduct the audit, although the Committee does review audit plans); or
- (b) determine that the Company's financial statements, reporting and disclosures are complete and accurate and in accordance with general accepted accounting principles, standards and applicable rules and regulations. This is the responsibility of the Board based on the recommendation of, and reliance on certifications provided by, management.

The Committee's principal function is one of supervision, oversight and monitoring. The Committee performs its principal function based on information provided to it by management. Management is responsible for the preparation, presentation and integrity of information provided to the Committee and for drawing the Committee's attention to material issues.

Without limiting the Committee's responsibilities, as described in this Charter, neither the Committee (as a committee) nor any member of it (by virtue of being a member) has the duty to actively seek out activities occurring within the Company that are not compliant with the Company's policies and procedures, although they have a duty to act promptly if any such activity comes to their attention.

4 Reporting and Evaluation

- 4.1 The agenda and supporting documents will be circulated to Committee members within a reasonable period in advance of each meeting.
- 4.2 The Secretary or their delegate will prepare Minutes from each Committee meeting and will circulate them to the Committee and Board members at the next available meeting. The minutes will be signed by the Chair of the Committee.
- 4.3 All Committee papers will be made available to directors who are not members of the Committee upon request.
- 4.4 As required, the Committee, through its Chair, will advise the Board of any matters of significant importance of which it is aware or which should otherwise be brought to the attention of the Board and any recommendations requiring Board approval and/or action. This will be done at the earliest appropriate opportunity.
- 4.5 The Committee should make recommendations to the Board regarding acceptance of annual financial statements (noting that those financial statements are ultimately reviewed and approved by the shareholder).

4.6 An evaluation of the Committee's performance as it relates to the requirements of this Charter will be performed annually as a part of the Board Performance Review.

5 Composition

5.1 The Committee must consist of a minimum of five members (including the Committee Chair), all of whom must be Non-Executive directors of the Company and a majority of whom must be Independent¹. At least one member of the Committee must also be a member of the Board Risk and Compliance Committee.

5.2 Members of the Committee are appointed by the Board.

5.3 Having regard to the Company's operational, financial and strategic risk profile, it is appropriate that members of the Committee have a diverse range of backgrounds, skills and experiences. All members of the Committee must be financially literate.

5.4 The Committee is required to have at least one member with accounting or financial expertise (i.e. such a member must be a qualified accountant or other financial professional with appropriate experience of financial and accounting matters).

5.5 Directors must act in a manner which is consistent with the Directors' Conflicts of Interest Policy.

6 Chair

6.1 The Committee Chair will be appointed by the Board and must be an Independent Non-Executive director of the Company.

6.2 Whilst the Committee Chair must not be the Chair of the Board, they may also be the Chair of the Board Risk and Compliance Committee.

6.3 Should the Committee Chair not attend a meeting, the meeting must be chaired by a person who is an Independent director of the Company.

6.4 The Committee Chair will not have a casting vote.

7 Meetings

7.1 Members may attend meetings in person or by electronic means.

7.2 The Committee should meet often enough to undertake its role effectively, but not less than four times per year.

7.3 In addition, the Committee Chair may call a meeting at any time and will call a meeting of the Committee, if so requested by any member of the Committee, by the external auditors or the CAO RANZ, or by the Chair of the Board, on reasonable notice.

7.4 At a minimum, a quorum will be three members with at least two Independent directors and one non-independent director in attendance.

7.5 Directors who are not members of the Committee, the CEO and other executives may attend meetings at the invitation of the Committee Chair.

7.6 The CFO, the CAO RANZ and senior representatives of the external auditor are expected to attend each scheduled meeting of the Committee.

¹ 'Independence' for these purposes will be assessed by reference to the Standards adopted by the Board from time to time.

- 7.7 Any other persons of the Company and/or parties external to the Company may be invited by the Committee Chair (or the Committee Secretary at the direction of the Chair) to attend all or part of any Committee meeting.
- 7.8 The Committee may meet from time to time, in the absence of management, provided that the external auditors and CAO RANZ are invited to attend all relevant sections of other meetings.
- 7.9 The Company Secretary or a delegate will act as Secretary of the Committee and take minutes of its meetings (**Committee Secretary**).

8 Direct Access

- 8.1 To draw appropriate matters to the attention of the Committee and foster open communication, the following individuals have direct and unfettered access to the Committee: CEO, CFO, Chief Risk Officer, Regional General Counsel and Company Secretary Australia, CAO RANZ and the external auditor.
- 8.2 The Committee will at all times have free and unfettered access to each of the persons described in clause 8.1 and the Company's senior management personnel including Internal Audit and the external auditor.
- 8.3 The Committee Chair will keep the CEO (as appropriate) fully informed of relevant dialogue between the Committee and senior management or the parties referred to in clause 8.1 above.
- 8.4 The CAO RANZ has a direct reporting line to the Committee Chair, whilst maintaining an administrative reporting line to the CEO.

9 Review and publication of charter

- 9.1 The Committee will review its Charter at least every two years and at such times as the Board or the Committee considers appropriate to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it considers should be made.
- 9.2 This Charter may be amended by resolution of the Board.
- 9.3 To the extent of any inconsistency between this Charter and the Constitution of the Company (or any rights of any majority shareholder under the Constitution), the Constitution (or those rights) will prevail.
- 9.4 This Charter supersedes any terms of reference or Committee charter previously in force.
