



**Boral Limited
Audit & Risk Committee
Charter**

Updated and adopted by the Boral Limited Board on 23 May 2023

Boral Limited
ABN 13 008 421 761

Audit & Risk Committee Charter

1. Scope and Authority

The primary function of the Audit & Risk Committee is to assist the Board of Directors in fulfilling its responsibilities by:

- Reviewing the financial information that will be provided to shareholders and the public;
- Reviewing the integrity and quality of the Group's financial statements and disclosures;
- Overseeing systems and processes to identify and manage areas of significant financial and non-financial risk; as well as the effectiveness the Group's risk management framework;
- monitoring risk management culture; and
- Overseeing the Group's auditing, accounting and financial reporting processes.

In carrying out its responsibilities, the Committee has full authority to investigate all matters that fall within the terms of reference of this Charter. Accordingly, the Committee may:

- obtain independent professional advice in the satisfaction of its duties at the cost of the Group; and
- have such direct access to the resources of the Group, as it may reasonably require, including management and the external and internal auditors.

The Committee acts primarily as an advisory body to the Board and in making recommendations to the Board. The Committee does not, as of itself, have the power or authority of the Board in dealing with the matters on which it advises except where certain powers are specifically set out in this Charter or are otherwise delegated by the Board.

The Committee will undertake the functions set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations of an audit committee and a risk committee, and will take into account those risk committee functions undertaken by the Board's Health Safety & Environment Committee as set out in its charter.

2. Composition

The Audit & Risk Committee shall comprise at least three non-executive Directors, the majority of whom the Board considers to be independent.

The Committee's members between them shall have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates, to be able to discharge the Committee's mandate effectively.

The Chair of the Committee is to be selected by the Board. The Chair will be an independent Non-executive Director, and will not be the Chair of the Board.

A quorum for Committee Meetings is two members of the Audit & Risk Committee.

3. Meetings

The Committee shall meet at least four times a year. The Chair will call a meeting of the Committee if so requested by any member of the Committee, by the external or internal auditor or by the Chair of the Board.

All Directors who are not members of the Committee may attend any Committee meetings and observe proceedings.

The Group's CEO & Managing Director ("CEO"), CFO, Company Secretary, external auditor and internal auditor shall be available to attend all Meetings. The Committee may invite such other members of the management team and such other people as it deems appropriate to attend the Committee and to provide information as necessary.

The Committee should meet separately with management, the external auditor and the internal auditor in private session, at least annually.

4. Reporting

The material matters discussed at each Committee Meeting are to be ordinarily reported by the Chair of the Committee to the Board at the next Board Meeting. The Committee will also consider if any material matters arising out of each Committee meeting should be advised to any other Committee and, if so, ensure that this occurs.

5. Responsibilities

The Audit & Risk Committee is accountable to the Board.

The Committee has the following responsibilities.

- Financial reporting and internal financial controls
- Review with management and the external auditor the Group's financial statements in respect of each half year and full year, and make recommendations to the Board in relation to the approval of those statements.
- Review with management and the external auditor the accounting policies and practices adopted by the Group, and compliance with applicable accounting standards, ASX Listing Rules and relevant legislation.
- Review with management and the external auditor the appropriateness of management's choice of accounting principles and material judgements.
- Review the declarations made by the CEO and CFO in relation to the financial statements, including the adequacy of the process to support those declarations.
- Review and verify that a system and financial controls are in place to safeguard the integrity of the financial reports.
- Participate in training arranged by the Group in relation to financial and accounting developments.

a) Risk management

At least annually, evaluate the effectiveness of the Group's risk management framework and its operation within the risk appetite set by the Board, including:

- The systems for identifying, monitoring, reporting and managing financial and non-financial risks that are material to the achievement of the Group’s strategy and objectives;
- The process developed by Management to implement appropriate risk controls and mitigation measures to manage such risks;
- The effectiveness of those controls and mitigation measures; and
- The systems in place to identify material changes to the risk profile of the Group, including new and emerging risks.

b) External audit

- Recommend to the Board the appointment or removal of the external auditor, or the rotation of the audit engagement partner.
- Review the external audit plan, terms of engagement and fees, and subsequent audit findings including any internal control recommendations.
- Periodically consult with the external auditor without the presence of management about the quality of the Group’s reporting processes, material judgements and any other matters that the Committee deems appropriate.
- Review the performance of the external auditor, including their independence and objectivity, and make recommendations to the Board on the independence of the external auditor on an annual basis.
- Review reports by the external auditor outlining professional or significant relationships with the Group including the provision of services that may affect their objectivity or independence.
- Monitor adherence to the policy regarding provision of non-audit services, including approval of certain non-audit services which may be provided by the external auditor. In this regard, the external auditor should not provide services that have the potential to impair the independence of their audit role. The external auditor, however, is permitted to perform other non-audit services that are not, and are not perceived to be, in conflict with their audit services.

c) Internal audit

- Recommend the appointment or removal of the internal auditor.
- Review the terms of engagement, capability and resourcing of the internal audit function.
- In conjunction with the CEO, review the performance of the internal auditor, including their independence and objectivity.
- Approve the internal audit plan, and receive reports from the internal auditor including in regard to the effectiveness of the Group’s internal financial controls and the adequacy of the Group’s processes for managing risk.
- Review reports by the internal auditor outlining all of its professional relationships with the Group, including the provision of services that may affect their objectivity or independence.
- Monitor and evaluate management responses to internal audit findings and recommendations.
- Periodically consult with the internal auditor, without the presence of management, about the engagement with management in the conduct of the audit or any other matters that the Committee deems appropriate.

d) Other Corporate Reporting

Review the process to verify the integrity of any periodic corporate report the Group releases to the market.

e) Legal and Regulatory Compliance

Review the effectiveness of the processes and systems in place to ensure legal and regulatory compliance.

f) Conduct Risk

Review the effectiveness of the processes and systems in place for detecting, reporting and preventing inappropriate business conduct, including any material breaches of the Code of Business Conduct and material incidents reported under the FairCall Policy.

g) Taxation

Consider taxation issues and make recommendations to the Board as appropriate, based on information provided by Management in relation to the Company's taxation obligations.

6. Other matters

The Committee shall also perform any other activities consistent with this Charter that the Committee or Board deem appropriate.

The Committee shall review this Charter at least biennially and, if appropriate, recommend changes to the Board.

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