Livestock SA Limited

Finance, Risk, Audit & Governance Committee

TERMS OF REFERENCE

1. Purpose

The Finance, Risk, Audit & Governance Committee (Committee) is established by the Livestock SA Limited Board (Board) as it recognises the responsibilities for considering all governance-related matters in addition to the finance and audit of Livestock SA Limited.

The Committee is responsible for ensuring that the integrity of the company's financial records is maintained and that the company is exposed to minimal financial risk. It undertakes a broad review, monitors compliance, and makes recommendations to the Board in respect of the company's accounting, governance, compliance and risk affairs.

2. Composition

The Committee is appointed by the Board from amongst the non-executive directors of the group and shall consist of not less than three members. At least one of the non-executive director members is to have a working understanding of finance and accounting practices. A quorum shall be two members.

The Board chair attends the Committee meetings in an ex-officio capacity. Committee members are permitted to invite senior executives or independent advisors to attend upon approval of the Committee chair, who is appointed by the Board.

The Livestock SA Limited company secretary is the secretary of the Committee responsible for agenda preparation.

3. Authority

The Committee is authorised by the Board to investigate any activity within its charters. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with the requests made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary within the scope of its duties.

The Committee is accountable to the Board for its performance.

4. Role

The specific duties of the Committee are:

a. To consider the appointment of the external auditor, the audit fee, the performance, independence and any questions of resignation or dismissal;
b. To discuss with the external auditor before the audit commences, the nature and scope of the audit;
c. To discuss problems and reservations arising from the interim and the final audits and any matters the auditors may wish to discuss (in the absence of management where necessary);

d. To approve any proposal to engage the external auditors for non-audit services;
e. To review the half year and full year financial statements before submission to the Board, focusing particularly on:
   i. Judgmental areas;
   ii. Significant adjustments resulting from an audit or audit review;
   iii. The going concern assumptions;
   iv. Compliance with accounting standards; and
   v. Compliance with legal requirements.
f. To review and approve the following in relation to accounting policies and practices:
   i. New accounting policies and practices which have a material impact on financial results;
   ii. Changes to existing policies and practices which have a material impact on the financial results; and
   iii. Requests for exemptions or the adoption of alternative accounting policies or practices.
g. To help the Board oversee the risk management framework, including the determination of the scope and maintenance of internal control procedures;
h. To keep under review the effectiveness of internal control systems and review the external auditor management letter and management response;
i. To consider corporate governance matters, including:
   i. The alignment of the Board's operations with good corporate governance practice;
   ii. To review the effectiveness of the Committee;
   iii. To oversee the process of the review of the Board;
   iv. To review the company's corporate governance statement;
   v. To determine the independence of new directors and monitor their ongoing status;
   vi. To review behaviour and ethical guidelines for directors and consider questions of possible conflicts of interest.
j. To review in conjunction with the external auditor, issues with respect to legal and regulatory compliance bodies; and
k. To consider other topics as requested by the Board.

5. Meetings

a. The Committee will meet not less than twice a year. The Committee may also meet by telephone or other instantaneous means of communication.
b. The chair will call a meeting upon request by any Committee member, the Finance Manager or the external auditors.
c. In addition to the Committee members and the Board chair who is an ex-officio, the CEO and Finance Manager attend the meetings at the invitation of the Committee.

6. Reporting

a. The secretary (or their delegate) will take the minutes of the meeting. Copies of the approved minutes will be circulated to the Board.
b. The chair will report on findings and recommendations to the Board at its next meeting.
c. All members of the Board are sent the Committee papers for the half year financial results and full year financial results meetings and any other papers for any other Committee meetings which the chair considers appropriate.
d. The Committee is accountable to the Board for its performance.

7. Term

The Committee will operate consistent with the Livestock SA Limited constitution, with its membership reviewed annually.