EXPORT FINANCE AUSTRALIA

BOARD AUDIT AND RISK COMMITTEE CHARTER

October 2026

1. Functions

1.1 Purpose of the Committee

In accordance with the *Public Governance, Performance and Accountability Act 2013* (Cth) (**PGPA Act**) and the *Public Governance, Performance and Accountability Rule 2014*, the primary function of the Export Finance Australia (**EFA**) Board Audit and Risk Committee (**Committee**) is to assist the Board in its oversight of the appropriateness of EFA's:

- financial reporting;
- performance reporting;
- system of risk oversight and management; and
- system of internal control.

1.2 Functions of the Committee

The Board has established the Committee as a committee of the Board pursuant to section 47 of the *Export Finance and Insurance Corporation Act 1991* (Cth) (**EFIC Act**) and in accordance with section 45 of the PGPA Act.

The Committee acts as an advisory committee of the Board. It assists the Board by monitoring organisational activity within the scope of this Charter. It also makes recommendations to the Board for consideration and approval. To accomplish its role, the Committee will:

(a) monitor the effectiveness of the risk management framework, its implementation and EFA's adherence to procedures and make recommendations to the Board on changes to the framework;

(b) monitor the effectiveness of the internal control environment and procedures designed to achieve compliance with laws, regulations, internal standards and policies;

(c) oversee compliance relating to financial reporting and disclosure and regulatory reporting;

(d) make recommendations to the Board on the appointment, assessment and removal of the internal auditors, and oversee their independence;

(e) assist the Australian National Audit Office (**ANAO**) with the appointment, assessment and removal of external auditors, and oversee their independence;

(f) annually review and advise on external and internal audit fees, plans and their scopes of work; and

(g) provide an effective forum for communication between Board members, the Executive team and the internal and external auditors.

The Board retains primary responsibility for managing transaction risk associated with individual counterparties and portfolio risk as a whole against available capital.

2. Duties and Responsibilities

2.1 Oversight of risk management and internal controls

- review and advise the Board on the appropriateness of EFA's:
  - risk management framework and the necessary internal controls for the effective identification and management of EFA's financial and non-financial risks;
  - approach to managing its key risks, including those associated with individual projects, program implementation activities, credit risk strategy and its significant credit risk policies;
  - process for developing and implementing EFA's fraud and corruption control arrangements consistent with the fraud and corruption control framework, and satisfy itself that it has adequate processes for detecting, capturing and effectively responding to fraud and corruption risks; and
  - key roles and responsibilities relating to risk management, with reference to any specific areas of concern or suggestions for improvement;
- satisfy itself that the current areas of greatest financial and non-financial risk to EFA have been identified and that the Executive team are effectively managing those risks;
- satisfy itself that effective systems of operational controls are in place to manage non-financial risk such as business continuity, reputation and cyber risk; and

- satisfy itself that effective systems of accounting, administrative and operational controls are in place to manage financial risk so that timely and meaningful financial statements are available to stakeholders.

2.2 Financial and performance reporting

- review the annual and half-yearly financial statements and recommend acceptance by the Board;
- review and advise the Board on the appropriateness of EFA's accounting policies and practices in the light of relevant laws, accounting standards and principles;
- satisfy itself that the Executive team has raised relevant issues relating to dividend policy for consideration by the Board; and
- review the appropriateness of EFA's systems and procedures for assessing, monitoring and reporting achievement of EFA's performance. In particular, the Committee will satisfy itself that EFA's:
  - Corporate Plan details how EFA's performance will be measured and assessed;
  - approach to measuring its performance throughout the financial year against the performance measures in EFA's Corporate Plan is appropriate and considers guidance from the Department of Finance; and
  - systems and processes for the preparation of its annual performance statement and the inclusion of that statement in EFA's Annual Report are appropriate.

2.3 Compliance matters

- monitor compliance with obligations under the PGPA Act and any other applicable legislation;
- monitor compliance with Board approved financial and non-financial limits and controls;
- monitor changes of significance to EFA in applicable laws, regulations, accounting policies and regulatory/reporting requirements; and
- monitor updates from the Executive team regarding compliance matters that may have a material impact on EFA.

2.4 Internal and external audit

- approve the internal audit charter, plan, strategy, performance objectives and other activities appropriate for the internal audit function;
- review the audit philosophy adopted by the internal and external auditors and their systems and procedures;
- review and assess the findings of the internal and external auditors, as well as the actions taken and timetables proposed by the Executive team in response to those findings; and
- review, at least annually, the scope, results and performance of the external and internal auditors.

2.5 Other responsibilities

- commission such special audits or investigations as may be necessary;
- perform any other tasks the Board may authorise from time to time;
- determine whether to approve any consultants to the ANAO undertaking any non-audit consultancy work for EFA; and
- conduct its work in a proactive and outward-looking manner, having regard to better practice relevant to EFA's business, mandate and stakeholders.

3. Membership

The Committee will consist of at least three members, all of whom are not EFA employees, with a minimum of two non-Executive EFA Board members. The Board Chair, Managing Director (**MD**) & CEO and Chief Financial Officer (**CFO**) must not be Committee members.

Collectively, the Committee members should possess the qualifications, knowledge, skills and experience necessary for the Committee to perform its functions, including accounting or financial management expertise.

The Board will appoint Committee members and periodically review the Committee's membership, including rotations and succession planning. The Board will appoint one Committee member as Chair

and may appoint one Committee member as Deputy Chair.

If the Chair or Deputy Chair is absent for all or part of a meeting of the Committee, or unwilling to act, the Committee members present will elect one of themselves to chair the meeting.

Whenever possible, incoming Committee members will attend Committee meetings during a transition period prior to replacing an outgoing member.

EFA's Code of Conduct applies to all Committee members.

4. Participation of non-members

Other than where a conflict of interest exists, any Board member who is not a Committee member, and internal and external auditors may attend and participate in Committee meetings. However, only Committee members are entitled to vote.

The MD & CEO, the CFO and the Chief Risk & Transformation Officer (**CRTO**) are expected to attend Committee meetings (unless the Chair requests otherwise), together with such other EFA employees and external advisers the Committee determines.

The Committee will meet with the external auditors and internal auditors, at least annually, without Executive team members in attendance.

The Committee may obtain expert advice it considers appropriate to enable it to fulfil its responsibilities and objectives. The Committee will be provided with the necessary resources to obtain expert advice.

5. Meetings

The Committee will hold at least three meetings per year or such greater number as the Chair may determine. A Committee member may attend a meeting in person, by video conference or by other means of communication. The Chair will convene an additional meeting if requested by the Board, a Committee member or the internal or external auditors.

At a Committee meeting, a quorum consists of two members. A resolution at a Committee meeting will be determined by a majority of votes cast by Committee members present and entitled to vote.

A Committee member will not participate in discussions and will not vote on any issues in respect of which they have an actual, potential or perceived conflict of interest. Committee members should refer to the Conflicts of Interest Board Member Policy for the framework to ensure conflicts of interest are identified, disclosed and managed.

Where circumstances make it impractical to convene and hold a meeting, the Committee may pass a resolution if a majority of Committee members entitled to vote on the resolution sign (including electronically) a circular resolution. The resolution takes effect when the final signature required to achieve a majority is received and has the same effect as if it had been passed at a meeting.

The Board Secretary must notify all Committee members when any circular resolution passes and retain records of all circular resolutions.

6. Minutes

The Board Secretary will keep minutes of Committee meetings. The minutes, or relevant extracts, will be provided to the internal and external auditors on request.

7. Internal Audit accountability

The internal auditors are accountable to the Committee.

While day-to-day issues under the contract with the outsourced internal auditors will be handled by the Executive team, the internal auditors will have direct access to the Committee at any time.

The Committee will monitor that the Executive team has appropriate processes to support the internal audit function and whether internal audit activities are conducted objectively and effectively.

8. External Auditors

The Committee is the channel to the Board for communication with the external auditors, including the ANAO and any consultants engaged by the ANAO.

The Committee will meet separately with the external auditors to discuss any matters the Committee or

external auditors believe should be discussed privately.

The Committee will also:

- regularly review with the external auditors identified risk areas and any other agreed procedures;
- regularly review the independence of the external auditors;
- meet periodically with the external auditors including to:
  - review plans for carrying out internal control reviews;
  - consider any comments and recommendations made by the external auditors; and
  - make recommendations to the Board arising from reviews and discussions;
- monitor and report to the Board on the Executive team's response to the external auditor's findings and recommendations;
- review all representation letters to the external auditors signed by members of the Executive and satisfy itself that information provided is complete and appropriate; and
- receive and review the reports of the external auditors.

9. Access to the Committee

On any matter within the Committee's Charter, any EFA employee has access to the Committee Chair.

10. Access to information and Management

Any access to EFA's records required by the Committee to fulfil its responsibilities under this Charter will be arranged through the MD & CEO, CFO, CRTO or Board Secretary.

11. Reporting

The Committee Chair, or delegate, will provide a report to the Board following each meeting. The Committee will make available its meeting papers and minutes to the Board and provide any additional assistance as the Board may require.

12. Planning

The Executive team, Board Secretary and Committee will prepare a forward program detailing matters to be considered during a rolling thirteen month period. Changes to the forward program will be tabled at each meeting.

13. Performance review

The Committee will review the scope and effectiveness of its activities at least biennially. The review will incorporate relevant stakeholder input and the Committee Chair will provide a report to the Board if the review is undertaken separately from a Board review.

14. Charter Review and Charter compliance review

The Committee will review the Charter and its compliance with the Charter annually.

The Committee may make recommendations to the Board regarding amendments to this Charter. Any material changes to this Charter require Board approval.

The Board Secretary may approve immaterial or inconsequential amendments necessary to maintain the accuracy and currency of this Charter. The Board and the Committee will be promptly informed of any such amendments to this Charter.