



Business Risk Committee Charter

GrainCorp Group

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GrainCorp
100 YEARS OF GROWTH

1. PURPOSE

1.1. The Board of Directors of GrainCorp Limited (“GrainCorp” or “the Company”) has constituted this Business Risk Committee (“BRC”) to assist the Board in fulfilling its oversight responsibilities with regard to business risk management and compliance within the Company.

The BRC’s primary objectives are to oversee and review the following matters:

- a) Strategic and operational risks, which includes but is not limited to, business, trading, and relevant regulatory risk;
- b) The Independent Assurance Program; and
- c) Compliance with applicable laws, regulations, policies and procedures.

1.2. This Charter sets out the responsibilities of the BRC, its membership and the manner in which its activities should be conducted.

2. SCOPE AND AUTHORITY

The Board authorises the BRC, within the scope of its responsibilities, to:

- a) Engage independent legal advice and other advisors as it deems necessary to perform its duties, in accordance with the Company’s procedures pertaining to the engagement of external legal services.
- b) Ensure the attendance of Company officers at meetings as appropriate.
- c) Have unrestricted access to members of Management, employees and relevant information.
- d) Recommend new policies and procedures or amendments to existing policies and procedures of the Company, and approve policies in respect of business risk management, compliance and internal control of the Company.
- e) Delegate its powers and discretions to the Executive Team of the Company as considered appropriate, with or without power to delegate further.

The BRC’s work does not relieve the Board from any of its responsibilities.

The BRC will interact with and seek advice and direction from other Board Committees as appropriate.

3. MEMBERSHIP

3.1 The BRC will comprise a majority of independent Directors.

- 3.2 The BRC may include one or more members, with appropriate skills and experience, who may not be a member of the Board, and who shall be appointed by the Board on the recommendation of the BRC
- 3.3 A quorum of any meeting will be two members.
- 3.4 The Chairman of the BRC will be an independent Director.
- 3.5 The Chairman of the BRC reserves the right to exclude a member or other invited attendee from attending a BRC meeting, on the basis that the BRC may deal with a sensitive matter which could relate to that particular member/attendee, or a matter concerning that member/attendee where there may be an actual or perceived conflict.

4. ATTENDANCE AT MEETINGS

- 4.1 All Directors are entitled to attend meetings. The BRC may invite such other persons to its meetings as it deems necessary.
- 4.2 The internal auditors shall be invited to meet with the BRC as appropriate to participate in setting the Independent Assurance Program, and to report on risk management and internal control issues.
- 4.3 Meetings shall be held not less than three times a year.
- 4.4 Additional meetings may be convened as required by the Board or as determined by the BRC.
- 4.5 Meetings may be held by the members communicating with each other through any means by which they can participate in discussion even though they may not be physically present in the same place.
- 4.6 The Secretary of the BRC will be the Company's Group Company Secretary, unless the Board or the BRC determine otherwise, who will take minutes of all meetings and keep records of all meetings held, papers submitted to meetings and recommendations made by the BRC.
- 4.7 Any dissenting member of the BRC shall be entitled to have his/her opinion recorded in the minutes.
- 4.8 The BRC may pass or approve resolutions by circular resolution as required, in accordance with the Company's Constitution.

5. RESPONSIBILITIES

The primary responsibility of the BRC is to oversee and evaluate the overall effectiveness of the Company's business risk management framework, systems for compliance and adequacy of internal controls, and to formally set and oversee the Independent Assurance Program across the Group.

Further, the BRC will ensure that Management has:

- a) identified and analysed the business risks facing the Company, including assessment and implementation of principles, policies, processes and controls to avoid, manage or mitigate those risks;
- b) established policies and procedures to ensure, monitor and report on ongoing compliance with statutory and internal compliance obligations; and
- c) completed and adequately reported against the annual Independent Assurance Program.

6. BUSINESS RISK MANAGEMENT & COMPLIANCE

To achieve its business risk management and compliance responsibilities, the BRC will:

- a) Receive reports from Management that identify and evaluate the significant risks that may impact on the achievement of GrainCorp's business objectives;
- b) Review the framework and methodology for identifying, evaluating, managing and mitigating and reporting business risks;
- c) Evaluate the ratings applied to business risks on the Corporate Risk Register, taking into consideration any changes to GrainCorp's risk profile and the effectiveness of controls implemented;
- d) Receive reports from Management on material business risks and review progress against risk management plans and risk key performance indicators that are periodically presented to the BRC;
- e) Monitor compliance with GrainCorp's Risk Management Policy and the Statement of Risk Appetite approved by the Board;
- f) Review GrainCorp's Risk Management Policy at least annually, and recommend any changes for approval by the Board;
- g) Set and oversee execution of the Independent Assurance Program, which is to be agreed annually in conjunction with the other Committees of the Board;
- h) Oversee the development of, and review and recommend to the Board for approval at least annually, a Position and Trading Risk Management Policy to manage grain trading risks;
- i) Oversee the development of, and review and approve at least annually, appropriate Trading credit & treasury policies, including delegations limits and parameters, to manage Trading credit and treasury risks;
- j) Monitor Management's compliance with the Position and Trading Risk Management Policy, and related credit and treasury policies and review reports from Management of any non-compliance including actions taken to remedy instances of non-compliance;

- k) Receive reports from Management on grain trading strategies, and as required, review and approve new trading business initiatives and control measures;
- l) Receive periodical reports from Management concerning Trading related credit, treasury, liquidity, foreign exchange, derivative, country and sovereign risks, and assess their alignment to GrainCorp's business risk appetite;
- m) Receive reports from Management concerning expected or potential changes in the business, economic or regulatory environments, and assess the impact of such on GrainCorp's strategic plan and operations;
- n) Receive reports from Management concerning the extent and adequacy of the Group's annual insurance program, as well as recommend insured and un-insured risk parameters;
- o) Receive reports from Management on major project and capital expenditure risk reviews;
- p) Receive reports from internal auditors on Independent Assurance and/or business risk management matters, as may be made available from time to time;
- q) Ensure that significant findings and recommendations resulting from the Independent Assurance Program are received, discussed and appropriately acted upon by Management. The BRC must be advised if Management does not agree with any Independent Assurance recommendations;
- r) Assess the adequacy and effectiveness of GrainCorp's business continuity, disaster recovery and emergency management plans;
- s) Oversee Management's control framework to manage and mitigate cyber security and data protection risks;
- t) Recommend new policies or amendments to existing policies of the Company that may be relevant to the effective management of business risk;
- u) In conjunction with the Board Audit Committee evaluate whether Management is setting the appropriate "control culture" by communicating the importance of internal control and the management of business risk to ensure that all employees have an understanding of their roles and responsibilities.
- v) In conjunction with the Board Audit Committee and Safety Health Environment and Governance Committee review the Company's annual Corporate Governance Statement; and
- w) Evaluate and if appropriate approve, reject or impose any conditions on any proposed or ongoing contractual relationship with any high risk third party in relation to which a Red Flag (as defined in GrainCorp's Anti-Bribery and Corruption Policy) has been raised, in accordance with GrainCorp's Anti-Bribery and Corruption Procedures, current at the time.
- x) Review potential dealings with sanctioned countries and counterparties in sanctioned countries, and the processes, systems and controls implemented by Management to ensure ongoing compliance with global sanctions regimes.

7. EVALUATING PERFORMANCE

- 7.1 The BRC will evaluate its performance on an annual basis.
- 7.2 The BRC will assess the achievement of the responsibilities specified in this Charter and report the findings to the Board.

8. APPROVAL AND REVISION

- 8.1 The BRC Charter was approved by the Board on 14 February 2018.
- 8.2 The BRC shall review its Charter annually and recommend any required or desired changes to the Board for approval.

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