Audit and Risk Committee Charter

Introduction

The objective of the Danakali Board Audit and Risk Committee ("Committee") is to assist the Danakali Limited ("Danakali") Board to satisfy its responsibilities in relation to Danakali's audit, financial reporting, financial management, and risk management practices.

The Committee makes recommendations to the Board and does not have any power to commit the Board or management to these recommendations.

Composition

The Committee is to be maintained and comprised of a minimum of two directors, (if more than two) a majority of whom shall be non-executive and independent directors, with an independent chair who is not the chair of the board. The Committee should be of sufficient size, independence and technical expertise to discharge its mandate effectively. The number of members whose presence is necessary to constitute a quorum for a meeting of the Committee is 2.

The Committee may invite attendance from any staff of the Company and seek external advice to assist in its duties. If a member or attendee has a conflict of interest in a matter this must be indicated at the commencement of the meeting. However, the Committee will have the discretion to allow the person to participate in the relevant item or not, according to the Company's policy on conflicts of interest.

In appointing Directors to the Committee, the Board will have regard to the following composition requirements:

- at least 1 member possessing accounting or related financial expertise and qualifications;
- all members of the Committee must be literate in risk management as described within this Charter;
- at least 1 member having risk management experience; and
- at least 1 member having experience in and an understanding of the industry in which the Company operates.

A member of the Committee may, with the approval of the Committee chairman and at the Company's expense, attend seminars or training courses in respect to legislative, technical and risk management issues relating to the functions and responsibilities of the Committee.

The Committee will appoint a Secretary to the Committee.

Roles And Responsibilities

The role of the Committee is as follows:

- to safeguard the integrity of the Company's financial reporting and oversee the independence of the external auditors;
- to oversee the establishment and implementation of effective financial internal control systems and to review the Company's application of those systems; and to provide oversight of Danakali's risk management processes and procedures.

The duties and responsibilities of the Committee is to:

- review the annual, half-year and concise (if any) financial reports and other financial information distributed externally, including new accounting policies to ensure compliance with International Accounting Standards and generally accepted accounting principles;

- review proposed disclosure and strategies for managing material financial risk;
- review the Company's tax policies and practices including any material decisions relating to tax;
- review the Company's tax risk management framework and progress in implementing that framework including the effectiveness of tax risk management policies;
- review and endorse the Company's treasury policies;
- consider whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor is to provide an annual declaration of independence;
- review the nomination and performance of the external auditor;
- ensure that adequate handovers occur in the year prior to rotation of an audit partner, to ensure an efficient and effective audit under the new partner;
- review the establishment of appropriate ethical standards;
- review procedures to ensure compliance with the Corporations Act 2001, Listing Rules and all other regulatory requirements; address any matters outstanding with auditors, Australian Taxation Office (ATO), Australian Securities and Investments Commission (ASIC), National Stock Exchnage of Australia Limited (NSX) and financial institutions;
- review the performance of the external auditors on an annual basis and meet with them during the year as follows:
    - to discuss the external audit, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
    - to review the half-year and annual report prior to lodgement with the NSX, and any significant adjustments required as a result of the auditor's findings;
    - recommend Board approval of these documents and to finalise half-year and annual reporting;
    - review the results and findings of the auditor, the adequacy of accounting and financial controls and to monitor the implementation of any recommendations made;
    - review the draft financial report and recommend Board approval of the financial report; and
    - review and report as required on any special reviews or investigations deemed necessary by the Board.
- review the Company's exposure to fraud and review the effectiveness of management's processes for
- managing financial reporting fraud risk;
- receive reports concerning material actual and suspected breaches of law, including fraud and theft which have a financial impact and assess systems to manage these risks;
- receive reports concerning any material breaches of Danakali's Code of Conduct concerning a director or senior executive, and other material breaches of that code that calls into question the culture of the organisation;
- receive reports concerning any material incidents reported under Danakali's Whistleblower Policy;
- receive reports concerning any material breaches reported under Danakali's Anti-Bribery Policy;
- review of systems whereby the CEO and the Board are immediately notified of any information which might have a material effect on the price or value of the Company's securities, and that such information is released to the NSX in accordance with the requirements of the Company's disclosure policy and the NSX Listing Rules;

- review, each year, a statement from the CEO, Chief Financial Officer (the CFO) and the Chief Commercial Officer (the CCO) or any of their equivalents, to the Board that the Company's risk management and internal compliance and control system is operating effectively in all material respects;
- review and monitor related party transactions and assess their propriety;
- review compliance with related party disclosures required (where applicable) by accounting standards and the Corporations Act 2001;
- review the Company's main corporate governance practices as required under the NSX Listing Rules for completeness and accuracy;
- review and recommend amendments to the risk management policy, risk management standard and Risk Management Plans;
- evaluate the adequacy and effectiveness of the organisation's establishment and implementation of a risk management system for identifying, assessing, monitoring and managing material risks (and opportunities) throughout the company;
- review systems and procedures are in place to ensure appropriate review of identified material risks, together with the assessments of probability and impact;
- engage and consult with the Company's Steering Committee with regards to technical risks (if applicable);
- monitoring the actions being taken by management in addressing unacceptable levels of risk or identified weaknesses in internal controls;
- ensuring that the company's systems of internal control includes procedures for reporting immediately to management and/or the Board any:
    - information which might have a material effect on the price or value of the Company's securities, and that such information is released to the NSX in accordance with the requirements of the Company's disclosure policy and the NSX Listing Rules; or
    - major control weaknesses that are identified;
- evaluate the adequacy and effectiveness of Danakali's Business Continuity Plans;
- evaluate the structure and adequacy of Danakali's own insurances on an annual basis having regard to the nature of the business and insurable risks associated with that business;
- review significant transactions that are not a normal part of Danakali's business;
- review systems and procedures in place to ensure structured risk management training is provided to management and staff in the awareness of corporate risks and best practices in the management of corporate risks;
- review the Company's cyber and IT risk control systems, policies and procedures, including in respect of IT security, receive reports from management concerning material IT security incidents, and following review of reported items make recommendations to the Board in relation to the outcome of investigations; and
- review systems and procedures in place to ensure that the Company operates in accordance with the terms of all licences and permits issued to it by any government body or any other authority.

Selection, Appointment And Rotation Of External Auditors

The Committee will monitor the Company's External Auditors from year to year to ensure independence and quality of service. Any need for change would result in seeking proposals from suitably experienced firms.

All external auditors will be required to comply with the rotation requirements outlined in the Corporations Act 2001.

Attendance

The Chief Executive Officer, Chief Financial Officer and representatives of the external auditors attend meetings by invitation.

Operations and Reporting

The Committee will hold at least four regular meetings a year (two of which will be held to specifically review the half year and annual accounts), with additional meetings as the Chairperson of the Committee shall decide in order for the Committee to fulfil its duties. Minutes of all meetings of the committee are to be kept by the Committee Secretary.

The Committee Secretary must distribute an agenda and any related Committee papers (including minutes of the previous Committee meeting) in advance of Committee meetings to:

a) each member of the Committee and each Director (if requested);
b) the Chief Financial Officer; and
c) the organisation's senior Risk Management personnel.

The Chairperson of the Committee shall report to the Board, at the next following Board meeting, on the proceedings of each meeting of the Committee, bringing forward all recommendations of the Committee that require Board approval or endorsement.

The Committee shall report to the Board annually, on all matters relevant to the performance of its role and the discharge of its duties during the period, having regard to NSX Corporate Governance Council principles and recommendations.

A copy of the Committee Charter shall be made publicly available on the Company's website.

Authority

The Committee has the right:

- To seek any information it requires from any employee of the Company and from the external auditor in order to perform its duties.
- To obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter.
- To call any member of staff to be questioned at a meeting of the Committee as and when required.
- To approve accounting policies and procedures and auditing methodology. Issues of material importance however will be referred to the Board with the Committee's recommendation.

Performance Evaluation

The Committee shall, on a regular basis, review its own performance and Charter to ensure that it is operating effectively.

Review of the Charter

The Company will periodically review this charter and its implementation to ensure continued effectiveness and alignment with legal requirements, stakeholder expectations and emerging best practices.

Approval and Adoption

This Policy was approved by the Board on 2 October 2026 and takes effect from that date.