

## AUDIT & RISK MANAGEMENT COMMITTEE CHARTER

### 1. PURPOSE

- 1.1 The Audit & Risk Management Committee's (the "Committee") purpose is to assist the Peet Limited ("Peet") Board (the "Board") to discharge its responsibilities through the review and monitoring of the financial affairs of Peet and its controlled entities' (the "Peet Group") and to ensure there are adequate policies and procedures in place in relation to risk management, compliance and internal control systems.

### 2. MEMBERSHIP AND TERM

- 2.1 The Committee shall consist of a minimum of three non-executive directors with a majority of independent directors.
- 2.2 The Chairman of the Board is not eligible to act as the Committee's Chairman. The Chairman of the Committee is selected by the Board.
- 2.3 The Peet Group Company Secretary or alternate will act as secretary to the Committee, unless otherwise determined by the Committee. The Committee Secretary is responsible for distributing meeting notices, agendas and Committee papers to members prior to each meeting.
- 2.4 The Board reviews the composition of the Committee periodically.
- 2.5 Committee members will have a working familiarity with basic finance and accounting practices. It is appropriate that members of the Committee have a range of different backgrounds, skills and experiences to assist in discharging the role of the Committee effectively.
- 2.6 The membership of the Committee is disclosed in the Peet annual Corporate Governance Statement.

### 3. MEETINGS

- 3.1 As a minimum, the Committee meets three times per annum. Additional meetings may be scheduled at the request of any Committee member.
- 3.2 The Committee may arrange discussions with the external auditor including on matters the auditor may wish to discuss in management's absence and separately with the internal Compliance Officer in the absence of management.
- 3.3 All members of the Board are invited to attend Committee meetings.
- 3.4 Other Peet Group executives and/or parties external to the Peet Group may be invited to attend Committee meetings.
- 3.5 Representatives of the external audit firm may be invited to attend Committee meetings.
- 3.6 The quorum for a meeting is two members or any greater number determined by the Committee from time to time.

- 3.7 The Committee has access to management via the Managing Director and Chief Executive Officer as required and may engage external advisers as considered necessary to assist in discharging its duties and responsibilities in relation to any Committee matter at the expense of the Company.

#### **4. MINUTES OF MEETINGS**

- 4.1 Proceedings of all meetings are minuted and signed by the Chairman of the Committee, or with the approval of the Committee, any other Committee member.
- 4.2 Minutes of all Committee meetings are circulated to the Board.

#### **5. PERFORMANCE AND FEES**

- 5.1 The Committee's performance will be reviewed through the Board's periodical performance appraisal process.
- 5.2 Committee members are entitled to receive remuneration as determined from time to time by the Remuneration Committee and the Board.

#### **6. PRIMARY DUTIES**

- 6.1 The Committee's responsibilities include:
- review all audited Peet Group financial statements intended for publication prior to recommending their approval by the Board;
  - review the appropriateness of the Peet Group's accounting policies and principles;
  - review the processes used by management to monitor and ensure compliance with laws, regulations and other requirements relating to external reporting by the Peet Group of financial information;
  - enquire into any significant difference of opinion between management and the external auditor concerning disclosures in the financial statements and how the matter was resolved;
  - oversee the activities of the external auditor to ensure that the audit approach covers all financial statement areas where there is a risk of material misstatement and that audit activities are carried out throughout the Peet Group in the most effective, efficient and comprehensive manner;
  - ensure that the external auditor meets the required standards for auditor independence;
  - oversee the performance of the external auditor and make recommendations to the Board on the appointment and rotation of the external auditor;
  - consider the appropriateness of fees paid to the external auditor, including the provision of non-audit services;
  - review the audit plan of the external auditor;

- monitor and review the effectiveness of the risk management and internal control structure implemented by management (including the processes supporting external reporting);
- obtain reasonable assurance from management that the Peet Group's assets are safeguarded, that a suitable insurance program is in place and that reliable financial records are maintained;
- monitor changes in the economic, business or regulatory environment that may impact on the risk profile of the Peet Group and may give rise to new risks;
- consider any other business risks as directed by the Board that are not dealt with by a specific committee of the Board, or the Board itself, including risk issues raised as a result of reviews undertaken by external statutory bodies;
- oversee the Peet Group's application of the ASX Corporate Governance Principles and Recommendations in respect of financial reporting and risk oversight;
- provide assurance that the Peet Group is adequately managing risk relating to corporate governance and market integrity and is maintaining appropriate controls against conflicts of interest and fraud;
- oversee the effectiveness of the AML/CTF Program of the Peet Group;
- review and assess the adequacy of the Whistleblower Policy, including the appropriateness of responses and actions to matters raised under it;
- review the effectiveness of the Disaster Recovery Plan; and
- review the Conflict of Interest Policy (Directors) and Conflict of Interest Policy (Employees) and the effectiveness of reporting mechanisms.

## **7. REVIEW OF CHARTER**

- 7.1 The Committee will review the Charter periodically to ensure it remains consistent with the Committee's authority, objectives and responsibilities.

## **8. PUBLICATION OF CHARTER**

- 8.1 This charter is available at [www.peet.com.au](http://www.peet.com.au).