



Audit and Risk  
Committee Charter

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Bellamy's Australia Limited  
ACN 124 272 208

## 1 Audit and Risk Committee Charter

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The Audit and Risk Committee (**Committee**) is established under rule 8.15 of the Constitution of Bellamy's Australia Limited (**Company**) to assist the Board in fulfilling its responsibilities to oversee financial reporting, internal controls, the maintenance of an effective risk management framework and the assurance provided by internal and external audit.

## 2 Membership of the Committee

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The Board will nominate Committee Members and the Committee Chair.

The Committee must comprise of a minimum of 3 Non-Executive Directors, the majority of which are Independent Directors as determined in accordance with the ASX Corporate Governance Principles and Recommendations.

The Committee Chair must not be Chair of the Board.

It is intended that the members of the Committee between them should have accounting and financial expertise and a sufficient understanding of the industry in which it operates.

The Secretary of the Committee shall be the Company Secretary.

## 3 Administrative matters

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### 3.1 Meetings

Any Director not formally a Member of the Committee may attend Committee meetings however only nominated Directors may vote on matters before the Committee. The Chief Executive Officer (**CEO**) will normally attend all meetings.

External auditors, the Chief Financial Officer (**CFO**) and other relevant individuals should be invited to attend and make presentations at meetings as appropriate.

The Committee will meet as often as the Committee members deem necessary in order to fulfill their role. However, it is intended that the Committee will meet at least four times each financial year.

The Chair is required to convene a meeting if requested to do so by any Committee Member, Director, the CFO or the External Auditor.

The quorum is at least 2 members.

### 3.2 Rights of access and authority

The Committee has rights of access to auditors without management present, and rights to seek explanations and additional information from both management and auditors.

The Committee may seek the advice of the Company's auditors, solicitors or such other independent advisers as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

The Committee shall have the authority to seek any information it requires from any officer or employee of the Company.

The Committee is authorised to take such independent professional advice as it considers necessary.

### 3.3 Minutes and Reporting

The Committee Chair will report the findings and make recommendations to the Board after each Committee meeting.

Minutes of meetings of the Committee must be kept by the Company Secretary and,

after approval by the Committee Chair, be included in the Board papers for the next Board meeting.

## **4 Role & Responsibilities**

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### **4.1 Financial Reporting**

Engage in the pro-active oversight of the Company's half year and full year financial reporting and disclosure processes and overseeing and reviewing the outputs of that process as a basis for recommendation to, and adoption by the Board of:

- the appropriateness and integrity of accounting policies and financial reporting and disclosure practices;
- any significant estimates or judgments in the Company's financial reports;
- annual financial statements, and whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles;
- the accuracy and completeness of the information in other sections of the annual report and related regulatory filings before release;
- matters reviewed with management and the external auditors as required to be communicated to the Committee under generally accepted Auditing Standards; and
- that appropriate processes are in place in relation to the systems of internal controls, and that that system is operating effectively in all material respects in relation to financial reporting risks and to form the basis upon which the Managing Director/CEO and CFO execute their certifications to the Board of Directors in accordance with the Corporations Act 2001 (Cth).

### **4.2 Audit**

Recommend to the Board the selection, appointment and termination of External Auditors and Internal Auditors. Also approve the audit contract, fees, terms of engagement and process for the rotation of external audit engagement partners.

Review the scope, performance and effectiveness of the Auditors annually.

Review the independence and objectivity of the external auditors, including any non-audit services proposed to be undertaken.

Oversee the internal audit function and monitor the need for any specific internal audits.

Ensure that audit recommendations are acted upon in a timely and effective manner.

Meet with the Auditors in the absence of management whenever it is deemed appropriate and no less than biannually.

### **4.3 Risk**

Review the risk management framework and report to the Board that:

- the company has a risk management program designed to identify areas of potential risk; and
- policies and procedures have been designed and implemented to mitigate or manage material risks and to maintain a sound risk management culture.

The Committee procedures will include review of:

- management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks;
- financial and operational risk management control systems (including reviewing risk registers and reports from management and external auditors);
- the Company's business continuity plans;
- the adequacy of the Company's own insurances;
- the strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies;
- Monitor the establishment and maintenance of processes to ensure that there:
  - are adequate systems of internal control, identification and management of business risks and safeguard of assets; and
  - is a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

## **5 Performance**

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An evaluation of compliance with the Committee Charter and performance of the Committee will be undertaken annually.