

## **Pacific Brands Limited**

### **Audit, Business Risk and Compliance Committee Charter**

The Board of Pacific Brands Limited has established an Audit, Business Risk and Compliance Committee (the **Committee**). The purpose for which the Committee has been established and the powers of the Committee are set out in this document.

#### **1 Purpose**

The primary purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, the maintenance of an effective risk management framework including compliance, internal controls, insurance and the assurance provided by internal audit and the relationship with the external auditors.

#### **2 Membership of the Committee**

Unless otherwise determined by the Board, the Committee comprises a minimum of three members, all of whom shall be independent non-executive directors.

The Chairman must not be the Chairman of the Board. The Board will appoint the Chairman and members of the Committee or remove and replace members of the Committee by resolution.

All persons appointed to the Committee will be financially literate (able to read and understand financial statements) and have sufficient financial knowledge and understanding to allow them to discharge their responsibilities.

#### **3 Meetings**

The Committee will meet at least 4 times each year, or as often as the Committee members deem necessary in order to fulfil their role and objectives set out in this Charter.

The Company Secretary will act a secretary for the Committee. Meetings shall be called by the Secretary as directed by the Chairman of the Committee or at the request of any individual director.

The Chief Executive Officer, the senior executive responsible for risk, Chief Financial & Operating Officer, head of internal audit (whether internal or external) and external audit partner will attend ordinary meetings by invitation.

The committee will meet with the external auditors and/or the internal auditors in the absence of management whenever it is deemed appropriate but no less than bi annually.

Other non-executive directors who are not Committee members may attend meetings of the Committee. Selected members of management may attend meetings of the Committee by invitation.

Two members shall form a quorum.

## **4 Responsibilities and functions**

### **4.1**

The Committee's key responsibilities and functions are to review, oversee and report to the Board on the following:

- the annual and half yearly financial reporting of the Group
- the accounting policies of the Group
- the scope of audit programmes of internal and external auditors and any material issues arising from these audits
- the Group's relationship with the external auditor (including their independence and determining procedures for the rotation of external auditor personnel) and their performance
- the performance of internal audit
- the Group's systems of accounting and internal control;
- the scope and terms of the insurance programme
- processes used by management to monitor and ensure compliance with laws, regulations, ethical guidelines and other requirements relating to external reporting of financial information and the preparation of taxation returns
- the risk management framework, including the identification and management of actual or potential risk exposures which are material to the Group
- the Group's social compliance policies and practices
- the Group's treasury function, including the Group's foreign exchange and interest rate hedging policies
- any other matter the Board determines appropriate to refer to the Committee

In addition the Committee will :

- recommend to the Board the appointment and termination of the external auditor and their fees;
- review the process to support the certifications provided by the CEO and CFO; and
- review the appointment and dismissal of the Group Risk Manager and any outsourced internal audit function.

## **5 Reporting**

The Chairman of the Committee will report to the Board following each Committee meeting. A copy of the minutes of the Committee meeting will be included in the Board papers for the Board meeting next following a meeting of the Committee.

## **6 Authority**

The Committee shall have the authority to discuss directly with management, and the internal auditors and external auditors (without management present if so decided by the Committee) any issue within its remit. The Committee may also

request reports, explanations, and information of any activity, procedure or accounts of the Group.

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.

## **7 Review**

The Committee will, at least annually review the charter and its performance.