



Charter of the Risk and Compliance Committee

Freedom Foods Group Limited

November 2018

Charter of the Risk and Compliance Committee

1. Introduction

- 1.1 This Charter governs the roles, responsibilities, composition and membership of the Risk and Compliance Committee of the Company (**Committee**).
- 1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company.

2. Objectives

- 2.1 The purpose of the Committee is to assist the board of directors of the Company (**Board**) in fulfilling its corporate governance and oversight responsibilities by monitoring and reviewing:
- (a) the Company's overall corporate governance policy on risk management and specific policies on risk oversight and management on an annual basis;
 - (b) the overall effectiveness of the Company's work, health and safety obligation, risk management framework and performance;
 - (c) the overall effectiveness of the Company's environmental obligations, risk management framework and performance;
 - (d) the overall effectiveness of the Company's quality assurance obligations, risk management framework and performance;
 - (e) the overall effectiveness of the Company's public relations policy and obligations, issues management risk management framework and performance – this includes governmental relations;
 - (f) the overall effectiveness of the Company's compliance monitoring, assessment and reporting programme, including counterparty compliance monitoring;
 - (g) the overall effectiveness of the Company's legal management programme, including identification of legal risk areas, monitoring of disputes, recommendations to mitigate risk and negotiation of outcomes;
 - (h) the overall effectiveness of the Company's hardware and software systems, risk management framework and performance;
 - (i) reviewing major new policies requiring Board sign off or amendment to existing policies and procedures requiring Board sign off;
 - (j) overseeing disclosure of significant risk issues to shareholders and regulatory authorities; and

(k) the performance and effectiveness of the risk management operating committee.

3. Composition

3.1 Members

The Committee consists of non-executive directors. The Committee must have a minimum of three members. The members of the Committee will be appointed and removed by the Board. The Chair of the Committee will be a non-executive, independent Director.

3.2 Expertise

The Committee must also include one or more members with appropriate skills and experience.

Members of the Committee must have an appropriate level of understanding of the principles of corporate governance, including knowledge of the Australian Stock Exchange Limited's (**ASX**) Principles of Good Corporate Governance and Best Practice Recommendations.

3.3 Chairman and Secretary

The Board will appoint a Chairman to the Committee (**Chair**). The Chair must not be the Chairman of the Board.

The Company Secretary will act as secretary of the Committee (**Secretary**) unless determined otherwise by the Board.

4. Meetings

4.1 Frequency

The Committee will meet as frequently as required but must, at a minimum, meet twice per year.

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

4.2 Agenda and notice

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Committee Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 2 days before the meeting.

4.3 Quorum

A quorum for Committee meetings will be at least 2 members, and at least 1 of the members of the quorum must be a non-executive Director.

4.4 Minutes

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable.

4.5 Attendance

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee members.

5. Powers

5.1 Access

The Committee has unrestricted access to management, external advisors to the Company auditors and all company records for the purpose of carrying out its responsibilities under this Charter.

5.2 Investigations

The Committee has the power:

- (1) to conduct any investigations it considers necessary; and
- (2) seek explanations and additional information.

The Committee has the power to engage any independent experts it requires to help it fulfil its duties. Costs associated with this will be borne by the Company.

6. Responsibilities

6.1 Summary

- (1) The Risk and Compliance Committee:
 - (a) reviews the effectiveness of the Company's internal control systems;
 - (b) monitors and reviews the compliance of the Company with applicable laws and regulations;
 - (c) monitors the risk management policy and plans; and
 - (d) reviews the Company's Work Health and Safety obligations and the Company's compliance.

6.2 Risk oversight and management policies

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies that set out the roles and respective accountabilities of the Board, the Committee, and management. The policies should cover the areas of oversight, risk profile, risk management, compliance and control and assessment of effectiveness.

6.3 Risk management and risk profile

The Committee is responsible for:

- (1) reviewing the Management Risk Committee assessment, minutes, risk rating and monitoring and providing the Board with advice and recommendations regarding the Parent's:
 - (a) risk management system; and
 - (b) risk profile that describes the material risks (including financial and non-financial risks) which the Company faces.
- (2) reviewing the effectiveness of the Company's implementation of the risk management system at least once a year; and
- (3) regularly reviewing and updating the Company's risk profile.

The Committee is responsible for ensuring that the appropriate senior managers have established and implemented a system for identifying, assessing, monitoring and managing risk throughout the organisation. The system is to include the Company's internal compliance and control systems.

7. Reporting

7.1 Reporting to the Board

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues. The report must also include, at a minimum:

- (1) the results of the Committee's review of risk management and internal compliance and control systems.

The minutes of the Committee meetings must be included in the papers for the next full Board meeting subsequent to each Committee meeting.

7.2 Annual report

The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relates to the Company's audit policies and practices.

8. Review of the Charter

- 8.1 This Charter shall be reviewed annually and revised by the Board as required.