



Domino's Pizza Enterprises Limited Audit and Risk Committee Charter

Effective 29 June 2021

1 Role of the Committee

The Audit and Risk Committee (**Committee**) is established by the board of directors (**Board**) of Domino's Pizza Enterprises Limited ACN 010 489 326 (**Company**) to assist the Board in:

- (a) discharging its obligations with respect to ensuring the:
 - (i) correctness and reliability of financial information prepared for use by the Board;
 - (ii) appropriate application and amendment of accounting policies; and
 - (iii) appointment, independence and remuneration of the external auditor; and
- (b) overseeing the Company's risk management framework.

2 Composition and administration

2.1 Composition

The Committee will be appointed by the Board and must, so far as is possible consist of:

- (a) at least 3 members;
- (b) only non-executive Directors;
- (c) a majority of Directors who are independent;
- (d) members who are financially literate and have familiarity with financial management. The members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively; and
- (e) at least one member with relevant formal qualifications and experience (i.e. be a qualified accountant or other finance professional with experience of financial and accounting matters).

2.2 Chairman

The Board will appoint one of the Committee's members, other than the Chairman of the Board, to serve as Committee Chairman. The Committee Chairman must be an independent director.

2.3 Changes to Committee composition

The Board may appoint additional directors to the Committee or remove or replace members of the Committee by resolution.

2.4 **Term**

The Board will confirm the Chairman and membership of the Committee annually.

2.5 **Quorum**

The quorum for any Committee meeting shall be two members.

2.6 **Meetings**

- (a) The Committee will meet at least once per quarter and more often if deemed necessary by the Committee members to fulfil their role.
- (b) Non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chairman, subject to an invitee not having a material personal interest in the matter being considered.

2.7 **Appointment of Committee Secretary**

- (a) The Committee Secretary will be the Company Secretary, or such other person as nominated by the Board.
- (b) The Committee Secretary will circulate minutes to members of the Committee and the Board as soon as practicable after each meeting.

2.8 **Reporting to the Board**

Recommendations from the Committee to the Board will be included in the Board Papers under items for decision by the Board and will be accompanied by information supporting the recommendation to enable the Board to make a considered decision. In addition, the Chairman of the Committee will keep the Board informed on the deliberations of the Committee.

3 Specific Responsibilities of the Committee – Audit

3.1 **External Audit responsibilities**

The Committee is responsible for:

- (a) monitoring and make recommendations to the Board on the effectiveness of the Company's external audit function;
- (b) making recommendations to the Board regarding:
 - (i) the scope and adequacy of external audit, and the development of audit plans;
 - (ii) the procedures for selection and appointment of the external auditors and the rotation of the external audit engagement partner(s);
 - (iii) the appointment and removal of the external auditors;
 - (iv) the independence, performance and objectivity of the external auditor;
 - (v) any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
 - (vi) the fees payable to the external auditor for audit and non-audit work and the terms of engagement or any other contractual terms; and
 - (vii) any exceptions or qualifications reported, or recommendations made, by the external auditor in the auditor's opinion and management letter;

- (c) directly overseeing the external audit tender process, including at least two of the members of the Committee on the interview panel for the tender;
- (d) reviewing the form and content of representation letter/s provided by the external auditors and management representation letters provided by management to the external auditors;
- (e) monitoring implementation of any actions required by the Board to be taken by management to address any exceptions or qualifications reported, or recommendations made, by the external auditor; and
- (f) liaising with the external auditors, including at least 2 meetings each year with the auditors, including a portion of the meeting in absence of all management, in relation to the preparation of the audited accounts of the Company.

3.2 Internal Audit responsibilities

The Committee is responsible for:

- (a) monitoring and making recommendations to the Board on the effectiveness of the Company's internal audit function.
- (b) making recommendations to the Board regarding:
 - (i) the appointment or removal of the head of internal audit and any external entity providing internal audit functions for the Company;
 - (ii) the scope and adequacy of the internal audit work plan; and
 - (iii) the independence, objectivity and performance of the internal audit function.

3.3 Policies and processes

The Committee is responsible for:

- (a) reviewing and making recommendations to the Board in relation to the Company's internal control framework, accounting policies and corporate reporting processes, or changes, or required changes, to the major accounting policies of the Company;
- (b) making a recommendation to the Board in relation to:
 - (i) whether the Company's financial statements reflect the understanding of the Committee of, and otherwise provide a true and fair view of, the financial performance and position of the Company; and
 - (ii) the appropriateness of the accounting judgements or choices exercised by management in preparing the entity's financial statements; and
- (c) monitoring compliance by management with all approved accounting policies of the Company.

3.4 Integrity of Audit and Risk Controls

The Committee is responsible for:

- (a) evaluating the adequacy and effectiveness of the corporate reporting processes, including internal financial and other controls used by the Company to ensure the accuracy and integrity of all information provided to the Board and to others outside the Company; and

- (b) where the Committee considers it necessary, enquiring into the resources, systems and controls of the Company as they affect the audit, financial management, risk or compliance functions or the integrity of the systems and controls relating to those functions, and will make any resulting recommendations to the Board.

4 Specific Responsibilities of the Committee – risk and compliance

4.1 Risk profile

The Committee is responsible for:

- (a) advising the Board on the Company's overall current and future risk appetite and making recommendations to the Board in relation to the Company's risk appetite statement and any changes required to it;
- (b) overseeing the Company's current and future risk position relative to its risk appetite and capital strength; and
- (c) monitoring the Company's risk profile and material risk categories for consistency with the risk appetite statement and reporting to the Board.

4.2 Risk management framework

The Committee is responsible for:

- (a) overseeing the implementation and operation of the risk management framework and other internal compliance and control systems to ensure effective management of financial and non-financial risks;
- (b) monitoring and reviewing the Company's risk management framework annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
- (c) ensuring the Company's risk management framework is reviewed at least annually by internal or external auditors (with the internal or external auditors providing a report to the Committee) to ascertain whether it has been designed to effectively manage material business risks and is operating effectively in all material respects; and
- (d) monitoring the effectiveness of the Company's risk management framework and compliance internal controls and systems.

4.3 Risk management and compliance

The Committee is responsible for:

- (a) **(assisting Board on risk management)** making recommendations to the Board in respect of the Group's exposure to significant risks; risk management planning, implementation and monitoring; and changes to risk appetite;
- (b) **(Identifying and monitoring risk exposures)** regularly considering and monitoring the Group's exposure to significant risks (including economic, environment and social risks) including by receiving reports from:
 - (i) management - on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks (including conduct risk, digital disruption, cyber security, privacy and data breaches, sustainability and climate change); and
 - (ii) internal audit - on its reviews of the adequacy of the Group's processes for managing risk;

- (c) **(risk management planning)** overseeing the development by management of risk management plans for the Group, monitoring the implementation of approved risk management plans across the Group (including whether it is operating within the risk appetite set by the Board) and reporting to the Board;
- (d) **(link risk with remuneration)** consulting with and making recommendations to the Nomination and Remuneration Committee as necessary, to maintain the linkage between risk and remuneration;
- (e) **(investigations)** reviewing material incidents that have occurred involving fraud or a break-down of the Group's risk controls (including overseeing investigations of allegations of material fraud);
- (f) **(anti-corruption and whistleblower policy)** reviewing anti-bribery and anti-corruption and whistleblower policies and monitoring the Group's process for ensuring employees are aware of these policies and dealing with matters raised by employees under these policies;
- (g) **(insurance)** evaluating and making recommendations to the Board in relation to the structure and adequacy of the Group's insurance program having regard to the Group's businesses and the insurable risks associated with its businesses;
- (h) **(legal compliance)** reviewing the procedures in place to ensure compliance with relevant legislative and regulatory requirements in all jurisdictions (including insider trading laws, continuous disclosure obligations and other best practice corporate governance processes) and monitoring compliance with those requirements; and
- (i) **(disclosure)** ensuring completion of the Company's annual corporate governance statement as required by ASX Governance Principles and Recommendations and, reviewing and making recommendations to the Board in relation to the risk disclosures in the Company's annual report.

5 Authority and powers

5.1 Authority

The Committee has direct and unlimited access to all resources necessary to discharge its duties and responsibilities. This includes authority to:

- (a) investigate any matter brought to its attention;
- (b) obtain any information that it requires from any employee of the Company in order to discharge its responsibilities;
- (c) have direct access to any employee or contractor, internal or external auditor of the Company and seek any information that it requires from any employees of the Company (with or without management present) in order to discharge its responsibilities; and
- (d) seek advice from independent auditors, company, tax and other financial advisors and lawyers or any other external consultant or specialist that the Committee considers necessary or appropriate.

5.2 Powers

The Committee has an advisory role to assist the Board and does not have any power to commit the Board to any recommendation or decision made by it except if it has express delegated authority from the Board.

6 Audit engagement policy

The Committee's criteria for selecting external auditors includes the following:

- (a) the extent of any current or past connection or association with the Company or with any member of senior management that could in any way impair, or be seen to carry with it any risk of impairing, the independent external view they are required to take in relation to the Company;
- (b) their general reputation for independence and probity and professional standing within the business community;
- (c) their knowledge of the industry within which the Company operates; and
- (d) the extent to which audit staff employed by the external audit partner, including the partner or other principal with overall responsibility for the engagement, are required to be rotated periodically, and in any event at intervals not exceeding five years, so as to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to the Company.

7 Audit process

The Committee has adopted the following audit planning process:

- (a) As required during the year, it will:
 - (i) discuss the external audit plan, any significant problems that may be foreseen and the impact of any proposed changes in accounting policies on the financial statements;
 - (ii) review the nature and impact of any changes in accounting policies adopted by the Company during the year and the fees proposed for the audit work to be performed; and
 - (iii) organise, review and report on any special reviews or investigations deemed necessary by the Board.
- (b) Prior to announcement of results, it will:
 - (i) make the necessary recommendation to the Board for the approval of relevant documents;
 - (ii) review the results and findings of the audit (or audit review), the adequacy of accounting, financial and operating controls and the implementation of any recommendations made; and
 - (iii) review the pro-forma half-yearly and pro-forma preliminary final report, draft financial report and the audit report (or audit review report) and make the necessary recommendations to the Board for the approval of the financial report.

8 Performance evaluation

The Committee will undertake an annual self-assessment process which includes:

- (a) comparing of the Committee's practices with its charter requirements;
- (b) identifying any enhancements to the Committee Charter; and
- (c) implementing practices designed to enhance the Committee's effectiveness.

9 Charter Review

This Charter will be reviewed, and, if appropriate, updated by the Board on the recommendation from the Committee every 2 years.