

Charter

Audit, Risk Management and Compliance Committee



The Audit, Risk Management and Compliance Committee (Committee) is a committee of the Board of Woolworths Limited (Woolworths or the Company). This charter sets out the responsibilities delegated by the Board to the Committee and the Committee's objectives, authority, responsibilities, composition and operation.

Objectives

The Committee's role is to provide advice and assistance to the Board in relation to the governance framework of the Company, including in relation to its risk management and internal control systems, compliance policies and systems, accounting policies and practices, internal and external audit functions, as well as the financial reporting of Woolworths.

Authority

The Committee is authorised to perform activities within the scope of the responsibilities set out in this charter and to make appropriate recommendations to the Board.

The Committee will have unrestricted access to Woolworths' senior management and company records as required.

The Committee is authorised to meet with the external or internal auditors, without any other member of management being present, as the Committee deems appropriate.

The Committee is authorised to obtain any independent legal or other professional advice that it considers necessary to execute its functions.

Responsibilities

The Committee has the following duties and responsibilities:

Governance

- Review and monitor the Company's Delegations of Authority and other key corporate policies.
- Review and provide input to the Company's corporate governance framework.

External Audit

- Make recommendations to the Board as to the selection, appointment, re-appointment or

replacement of the external auditor, and rotation of the lead engagement partner, including undertaking a formal review of the auditor's appointment every three years.

- Review with the external auditor the scope and terms of the audit and audit fee and make recommendations to the Board.
- Monitor the co-ordination between the external audit and internal audit programmes.
- Oversee and review the quality and effectiveness of the audit conducted by the external auditor, and annually review the performance of the auditor.
- Discuss and resolve any issues arising from audit reports, including any matters the external auditor may wish to discuss in the absence of management.
- Discuss with the external auditor any relationship that may impact on its objectivity or independence, and recommend to the Board any appropriate action to satisfy itself of the auditor's independence.
- Require the external auditor to provide a formal written statement annually confirming its independence.
- To review the scope and terms of the Non-Audit Services Policy, and monitor compliance with this policy.

Internal Audit

- Monitor the adequacy of the nature, extent and effectiveness of the internal control processes of Woolworths.
- Review and approve the scope, plan, terms and budget for Internal Audit activities and initiatives.



- Oversee and appraise the quality, effectiveness and objectivity of the audit conducted by Internal Audit.
- Discuss and resolve any issues arising from Internal Audit reports, including any matters Internal Audit may wish to discuss in the absence of management.
- Review the appointment, performance and replacement of the Head of Internal Audit, and review the performance of the internal audit function, and make recommendations to the Board about these matters.

Risk Management

- Review the effectiveness of Woolworths' policies and initiatives to identify the Company's material risks and the appropriateness of the risk management processes in place to address them.
- Review disclosures in the annual corporate governance statement in relation to the recognition and management of material business risks.
- Review the adequacy and effectiveness of administrative, operating and accounting controls used by Woolworths.
- Review the Company's material risk exposures, including the Company's exposure to fraud.
- Monitor the implementation of corporate and business unit risk management plans.
- Review insurance and other risk transfer arrangements.
- Review the adequacy of self insurance provisions for workers' compensation, public liability and general insurance.
- Review the business contingency planning process within the Company and its contingency plans that are in place.
- Monitor changes anticipated for the economic and business environment, including consideration of emerging trends and other factors relevant to Woolworths' risk profile.

Compliance

- Monitor the effectiveness of Woolworths' policies and practices that relate to compliance

with laws, regulations and accounting standards.

- Monitor the impact of changes in key laws, regulations and accounting standards affecting the Company's operations.

Financial Reports

- Review the half year and annual financial statements and reports presented by management, together with reports and opinions from external auditors.
- Make appropriate recommendations to the Board as to whether financial statements should be approved.
- Review significant financial reporting issues and assess the appropriateness of accounting policies and methods chosen by management, particularly those in relation to significant estimates and judgments.
- Consider and make appropriate recommendations to the Board regarding major changes to Woolworths' accounting policies and processes.
- Review the reliability and appropriateness of disclosure in the financial statements and financial reporting to stakeholders, particularly those in relation to estimates and judgments.

Continuous Disclosure

- Review the policies and procedures designed to ensure compliance with the ASX listing rules on continuous disclosure.

Related party transactions

- Review and monitor related party transactions.

Other Matters

- Conduct or authorise any special projects or investigations into any matters within the Committee's charter or as may be requested from time to time by the Board.

Composition

The Committee will comprise a minimum of three directors.

The majority of Committee members will be independent directors as assessed by the Board in accordance with its policy on the independence of directors.

All members will have appropriate business expertise and be financially literate. At least one member will have accounting or relevant financial expertise as determined by the Board. The Chairman of the Committee will be an independent director, appointed by the Board from the Committee's members and will not be the Chairman of the Board.

Appointments and revocations of appointments to the Committee will be determined by the Board. No executive directors will be appointed to the Committee.

The composition of the Committee will be reviewed annually by the Board and the Committee to ensure an appropriate balance of expertise, skills and experience.

The Company Secretary will be the Secretary of the Committee.

Meetings

To the extent not inconsistent with this charter, meetings of the Committee will be conducted in accordance with the provisions of the Company's Constitution which relate to the proceedings of directors.

The Committee will meet four times a year and at such additional times as the Committee Chairman or any member of the Committee may request.

A quorum for a Committee meeting will be a majority of Committee members.

Directors who are not members of the Committee will have a standing invitation to attend each Committee meeting, subject to exclusion as deemed appropriate by the Committee Chairman from time to time.

Other executives and external advisers may be invited by the Chairman of the Committee to attend part or all of any meeting. The Committee may ask management to present at Committee

meetings on issues relevant to the Committee's duties and responsibilities.

Copies of Committee papers and reports, together with minutes of each Committee meeting, will be circulated to all directors.

Agenda Items

The following will be standing agenda items:

- External auditor's report on progress of the audit programme.
- Internal audit report on progress of the audit programme.
- Closed session with the auditors.

Reporting Responsibilities and Implementation of Objectives

The Chairman of the Committee or his/her nominee will report to the full Board on the proceedings of the Committee and make appropriate recommendations to the Board for decision.

Review

The Committee will conduct an annual review of its performance and effectiveness by reference to this charter and current best practice. This review process will include a review of the terms of this charter. The Committee must refer any recommended changes for decision by the Board.

Date approved:	27 February 2015
Accountable:	Chief Legal Officer and Company Secretary
Contact:	Group Manager Secretariat