

## AUDIT AND RISK COMMITTEE CHARTER

### 1. OVERVIEW

The Audit and Risk Committee of Restaurant Brands New Zealand Limited (the “**Committee**”) is a formally constituted committee of the Board of Directors of Restaurant Brands New Zealand Limited (the “**Board**”) and the primary purpose of the Committee is oversight.

The duties and responsibilities of the Committee are focused on the integrity of the financial statements and financial recording process, internal controls, accounting policies, compliance with legal and regulatory requirements, internal and external audit activity, audit work programmes, audit appointments, and the Company’s risk management framework.

Membership of the Committee comprises a majority of independent directors, who are confirmed annually by the full Board.

The Committee provides a formal channel of communication between the Board and senior financial management external and internal audit and shall have unrestricted access to them.

The Committee recommends and provides advice to the full Board on any concerns or findings required under its duties. The Committee does not replace the responsibilities of the Board.

In discharging its responsibilities, the Committee is not itself responsible for the planning or conducts of audits or for any determination that the financial statement are complete and accurate or in accordance with general accepted accounting principles. This is the responsibility of management and the independent auditors.

### 2. MEMBERSHIP

The membership of this Committee shall comprise a majority of independent directors of Restaurant Brands New Zealand Limited (the “**Company**”). These are directors who are not representing any major security holder. Membership also excludes any executive directors.

The Committee shall comprise at least three members, all of whom are directors who are financially literate. The Chairman of the Committee shall be a director who has a strong financial background. The Chairman of the Committee shall not be the Chairman of the Board.

Members of the Committee will be selected at the Board Meeting immediately following the Annual Shareholders’ Meeting and they shall hold office for the ensuing year.

### 3. MEETINGS

Meetings of the Committee shall be held at a minimum twice a year.

Meetings may be called at any time, at the discretion of the Chairman of the Committee, any Committee member, or any external or internal audit representatives.

A quorum shall constitute half or more of the members of the Committee.

The Committee may have in attendance such representatives from management, internal audit, external audit or any other advisors as it deems necessary from time to time.

Any non-executive director who is not a member of the Committee may also attend meetings at any time.

The secretary to the Board will also act as secretary to the Committee and shall keep minutes of all meetings. The minutes shall be circulated in draft form to all committee members to ensure an accurate final record and shall be approved at a subsequent meeting of the Committee.

#### **4. STATEMENT OF POLICY**

The Committee provides assistance and advice to the board in fulfilling their responsibilities to shareholders and the investment community relating to matters of corporate accounting, reporting practices of the Company and the quality and integrity of its financial reports.

#### **5. GOVERNANCE**

The Committee will obtain the approval of the Board on a Committee charter, which shall be reviewed biennially by the Board.

The Committee shall review and recommend to the Board the external auditors to be selected to audit the financial statements of the Company.

The Committee shall monitor the work plan and performance of the Company's external auditors.

It is the Committee's responsibility to review management decisions in the appointment, termination or replacement of internal audit management and any appointment to the Internal Audit Manager's role is to have the approval of the Committee.

Internal and external auditors shall both be provided with the opportunity to meet with Committee members independently of management.

The proceedings of the Committee shall be reported to the full Board and minutes of all meetings circulated to Board members.

The Committee shall be empowered to investigate any matter brought to its attention within the scope of its duties.

The Committee shall evaluate its performance on the same basis as the Board.

#### **6. SCOPE**

The Committee's areas of responsibility are:-

1. Financial reporting;
2. Internal audit and loss prevention;
3. External audit;
4. Risk management oversight;
5. Information and communication; and
6. Other

##### **6.1 Financial Reporting**

The Committee will:

- (i) review the financial statements of the Company, which are to be included in the annual or half year report to shareholders;
- (ii) make enquiry of management and external auditors as to disclosure and content of the financial statements.
- (iii) review and make determinations upon any significant accounting and reporting issues of the Company for recommendation to the Board;

- (iv) review the accounting policies of the Company and recommend any changes;
- (v) review management's estimates where these are significant and impact upon the financial statements to ensure that they are properly undertaken and adhere to the Company's accounting policies;
- (vi) ensure overall financial statements have a full degree of clarity for readers;
- (vii) review drafts of any financial reports required for disclosure under NZX and ASX listing rules;
- (viii) review the Company's tax position and compliance with appropriate legislation.

## **6.2 Internal Audit & Loss Prevention**

The Committee will:

- (i) discuss and review the adequacy of internal controls (including information systems security) as related to the relevant risk the Company may bear;
- (ii) approve annually the internal audit programme and review performance of the internal audit function against this plan;
- (iii) receive, on a regular basis, findings from internal audit and loss prevention reviews and seek explanations from management for any adverse reports;
- (iv) ensure that internal audit works in with the external audit function;
- (v) periodically review, with the Internal Audit Manager, the internal audit function's responsibility, budget and staffing.
- (vi) review the nature and extent of any risks facing the Company and ensure that a risk management framework fully and effectively identifies those key business risks and manages outcomes. Also ensure that management has undertaken steps to control and monitor key business risks identified.

## **6.3 External Audit**

The Committee will:

- (i) recommend to the Board the appointment or discharge of the external auditors;
- (ii) set the remuneration and review the performance of the external auditors;
- (iii) ensure the relationship with the Company's external auditors is reviewed formally every five years and, where the external auditor is retained for longer than this period, ensure that the audit partner is rotated after five years;
- (iv) where appropriate, after each five year review (or at any other time deemed appropriate) institute an external audit tender process;
- (v) meet with the external auditors and management to set the scope and work plan of the audit and half year review;
- (vi) ensure that no unreasonable restrictions are placed on the external auditors by the Board or management (including restrictions on access to relevant information as discussed in section 6.5 below). To enable the Committee to monitor this requirement the external auditors will report to the Committee in writing as to whether this

requirement has (in the external auditor's opinion) been satisfied during the external audit process;

- (vii) review the reports and management letters from the external auditors and the information provided by management in response;
- (viii) review and report the results of the annual audit and the half year review to the Board;
- (ix) ensure the independence of the external auditor by:
  - (a) reviewing the nature and scope of professional services outside of the statutory audit role proposed to be provided to the Company by the external auditors via their accounting firm and pre-approve or otherwise their use in the light of the audit requirement for independence;
  - (b) monitoring the provision of any such professional services provided by the external auditor to ensure that the pre-approved nature or scope of the services has not changed in a manner that could be perceived as impacting on the external auditor's independence;
  - (c) reviewing the nature and scope of professional audit services proposed to be provided to the Company by firms other than the external auditor and pre-approve or otherwise their use in the light of the audit requirement for independence; and
  - (d) reviewing and pre-approving (or otherwise) any proposed employment by the Company of any former audit partner or audit manager.

#### **6.4 Risk Management Oversight**

- (i) recommend risk management strategy policy and process to the Board for approval, including risk appetite and the risk management framework;
- (ii) ensure management undertake a regular risk assessment review using a contingency/probability matrix and action plan to identify material external and internal risks relating to business operations and strategy;
- (iii) ensure that risk mitigation plans are in place for all major risks;
- (iv) review the insurance cover to ensure that it is appropriate as necessary;
- (v) review the Risk Register and note changes to risk assessments and emerging risks at each meeting;
- (vi) review the legal compliance management program to ensure legal compliance risks are managed appropriately; and
- (vii) ensure the Company has a programme for reviewing and updating key operational policies.

## **6.5 Information and Communication**

The Committee will maintain open lines of communication between the Board, internal audit, external audit and management by:

- (i) requiring management to provide access to all relevant information requested by the external and internal auditors to properly carry out their functions and monitoring management's compliance with this requirement;
- (ii) reviewing regular reports received from internal audit, external audit and management;
- (iii) holding confidential sessions with the internal and external auditors to discuss any matters that the Committee or auditors believe require discussion without the presence of management;
- (iv) identifying and directing any special projects or investigations deemed necessary;
- (v) advising the Board of any actual or potential matters of concern, which may require its attention;
- (vi) providing a verbal report summarising the Committee's deliberations from each of its meetings, along with the minutes of the Committee meetings to the Board at its next meeting; and
- (vii) making copies of the Committee's papers available to all directors of the Board on request.

## **6.6 Other**

The Committee may, at its discretion, address other areas from time to time. These would include:

- (i) succession planning for the audit and accounting functions of the Company;
- (ii) reviewing reports from regulators or government agencies and employee complaints that may have material impacts upon the financial statements, accounting or auditing matters or compliance with the Company's standards of business conduct.
- (iii) monitoring conflict of interest policy and related procedures;
- (iv) resolving disagreements, if any, between management and the independent auditors.

The Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.