

This Charter sets out the role, responsibilities, structure and processes of the Audit and Risk Committee (**Committee**), established by the Board of Directors of Wesfarmers Limited (**Company**).

1 Roles and Responsibilities

- 1.1 The role of the Committee is to assist the Board in fulfilling its responsibilities in overseeing the Company's financial reporting, compliance with its requirements (legal and regulatory) and other commitments, the setting of the risk appetite for the Wesfarmers Group (**Group**), and monitoring and reviewing the Group's risk management framework and systems of internal control. In fulfilling this purpose, the Committee will:
- (a) review and assess the Group's processes which ensure the integrity of financial statements and reporting, taxation compliance and associated compliance with legal and regulatory requirements, including accounting standards and taxation legislation;
 - (b) review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, the Group's external auditors and the integrity of the audit process as a whole;
 - (c) oversee the effectiveness of the risk management framework and systems of internal controls;
 - (d) oversee the appointment of internal audit resources and the performance of the internal audit function;
 - (e) oversee the policies and procedures for ensuring the Group's compliance with relevant compliance obligations (regulatory and legal requirements and commitments), monitor and escalate to the Board any breaches of these policies and procedures or any material non-compliances with the underlying compliance obligations, including any material breaches of the Code of Conduct, such as bullying and sexual harassment breaches;
 - (f) review and assess the effectiveness of the Group's approach to safety, health and wellbeing risks (including psychosocial risks);
 - (g) review and assess the Group's approach to and reporting of sustainability-related risks, including climate change, material sustainability topics, stakeholder engagement and other environmental, social and governance risks relevant to the Group;
 - (h) review and assess the effectiveness of the Group's approach to cyber security risks, including the Group's compliance with relevant legal and regulatory requirements;
 - (i) review and assess the effectiveness of the Group's crisis management and business continuity frameworks;
 - (j) review and assess any risk or conduct issues or any other matters that have come to the attention of the Committee in relation to the performance, conduct, ethics or values of any Group senior executive that should be taken into consideration by the Remuneration Committee or the Board when considering the performance or remuneration of executive key management personnel; and
 - (k) make recommendations to the Board in relation to each of the areas listed above where necessary.

1.2 The main responsibilities of the Committee include:

Integrity of financial statements and reporting

- (a) reviewing and recommending to the Board for approval the draft annual and interim financial statements of the Company and other related information to be released through the ASX to the shareholders and the wider financial community. The review process will include consideration as to the integrity of the Company's financial reporting, including whether the financial statements reflect the understanding of the Committee of, and otherwise provide a true and fair view of, the financial position and performance of the Group, and a discussion with management and the external auditors prior to their submission and recommendation to the Board;
- (b) reviewing and assessing the effectiveness of management's programs and policies relating to, and discussing with the external auditors the adequacy, integrity and effectiveness of, the Group's financial and reporting processes, and internal control framework over these systems;
- (c) reviewing any material changes in accounting or reporting requirements, and assessing subsequent effects on the Company's financial statements and the Group's policies and practices;
- (d) reviewing any judgements made by management in respect of accruals, provisions, estimates, or the application of accounting policies, which materially affect the financial statements, as well as other sensitive matters, such as disclosure of unusual, non-recurring, complex or related party transactions;
- (e) ensuring disclosure of the process used to verify the integrity of periodic corporate reports which are not audited or reviewed by an external auditor either on the Group's website or Annual Report or in the relevant report; and
- (f) reviewing and discussing with senior management and the external auditors the process and the disclosures made in respect of the certifications given by the Group Managing Director and Chief Financial Officer with respect to the financial statements of the Group pursuant to the Corporations Act;

Engagement with external auditors and other assurance providers

- (g) reviewing with management the terms, including the scope of the external auditor's engagement in order to make recommendations to the Board concerning the appointment, re-appointment, rotation and removal of external auditors and overseeing any audit tender process;
- (h) reviewing the Company's audit and assurance policies and practices, including:
 - the approach to the internal and external audit and assurance of periodic corporate reports and other corporate reporting; and
 - the management of external audit and other assurance engagements, including periodically undertaking comprehensive reviews of the external auditor's appointment;
- (i) reviewing and approving the terms of engagement, scope and fees of external auditors and any other assurance providers (as applicable);
- (j) reviewing and assessing non-audit and assurance-related services to be provided by external auditors, with particular consideration to the potential of those services to impair external auditors' judgement or independence in respect of the Group;

- (k) reviewing, assessing and approving the audit plans of the Group's external auditors and other assurance providers (as applicable), including the degree of co-ordination between the internal and external audit teams;
- (l) reviewing and assessing the planned audit scope evaluating how the auditor will consider controls relevant to the preparation and fair presentation of the financial report;
- (m) reviewing the summary management report prepared by external audit or other assurance providers (as applicable), including the significant findings and responses of management; and assessing any significant recommendations of the auditors to strengthen the internal controls and reporting systems of the Group;
- (n) periodically meeting with the external auditors without the presence of management, to discuss the quality of the Group's accounting principles, material judgements, and any other matters that the Committee or external auditors deem appropriate;
- (o) reviewing, assessing and monitoring management's responsiveness to external audit findings;
- (p) assessing and monitoring the performance and effectiveness of the Group's external auditors and other assurance providers (as applicable), including an assessment of auditor independence in accordance with regulatory requirements;
- (q) conducting a comprehensive review of the performance of the external auditors with the assistance of management at least every five years, or other such period as required by relevant standards or regulations; and
- (r) obtaining an independence declaration from each external auditor, as required;

Risk management and internal controls

- (s) monitoring the Group's performance against the risk management framework, including whether it is operating within the risk appetite set by the Board, regular monitoring of risks considered outside of risk appetite and making recommendations to the Board in relation to changes that should be made to the Group's risk management framework or risk appetite;
- (t) reviewing reports on existing, new and emerging sources of financial and non-financial risk, including risk controls and risk mitigation measures;
- (u) reviewing management and internal audit reports on the effectiveness of the internal control, risk management systems and management of material business risks;
- (v) reviewing and assessing during the course of the year the effectiveness of the Group's risk management framework, reporting systems, internal controls, policies, programs, guidelines and processes for identifying risk and mitigating their financial and non-financial impact;
- (w) making recommendations to the Board in relation to the material financial and non-financial risks that could affect the Group's prospects in future financial years, including environmental, social and governance risks, for inclusion in the Annual Report, on the corporate sustainability website, or in other periodic corporate reporting (as appropriate); and
- (x) reviewing and recommending to the Board those Group risk management, financial reporting, tax, sustainability and governance policies which require Board approval;

Internal Audit

- (y) reviewing, assessing and approving the appointment, replacement or termination of the General Manager, Group Assurance, and ensuring that he or she has direct access to the Committee Chairman and the Chairman of the Board;
- (z) meeting with the General Manager, Group Assurance and/or the Executive General Manager Group Accounting, Risk and Assurance without the other members of management being present on a periodic basis, whenever it is deemed appropriate by the Chairman of the Committee;
- (aa) approving the resourcing of the internal audit function, its budget and staffing including any internal audit outsourcing arrangements;
- (bb) reviewing the scope and adequacy of the internal audit work plan, its coverage of key risks and the level of co-ordination with the external auditor or other assurance providers (as appropriate);
- (cc) reviewing and assessing the independence, performance and objectivity of the internal audit function; and
- (dd) approving the internal audit charter and annual internal audit plan/s ensuring its alignment with the risk profile of the Group;

Compliance with obligations

- (ee) reviewing and assessing the effectiveness of the Group's compliance program in ensuring compliance with relevant compliance obligations (regulatory and legal requirements and other commitments);
- (ff) reviewing and assessing the effectiveness of internal processes for ensuring compliance with the Group's policies and procedures and to oversee the process which ensures that any material breaches of, or non-compliances with, these processes are escalated to the Board, together with the escalation of any material breaches of the Group's Code of Conduct, such as bullying and sexual harassment breaches;
- (gg) reviewing compliance reports prepared by management in relation to the Group's compliance with statutory, legal and other regulatory requirements or commitments; and identifying and considering any matters that may have a material impact on the Group's activities, and report on those matters to the Board;
- (hh) obtaining regular updates from the Group General Counsel and other management, as appropriate, regarding any material litigation and any material risks relating to Group's compliance with statutory requirements;
- (ii) reviewing, assessing and monitoring the effectiveness of the Group's policies and procedures on continuous disclosure and reporting on these to the Board;

Sustainability

- (jj) reviewing and recommending to the Board for approval public disclosures regarding climate and other sustainability-related matters, including disclosures in the Annual Report and on the Company's sustainability website, the Company's annual modern slavery statement, climate change reporting and climate transition action plans (if relevant);

- (kk) reviewing, assessing and monitoring:
- the effectiveness of the Group's relevant frameworks for emissions reduction;
 - engagement with the Company's key stakeholders on material sustainability topics; and
 - the progress made towards achievement of the Group's sustainability-related targets and commitments;
- (ll) reviewing, assessing and monitoring management's responsiveness to external and internal audit findings on sustainability-related matters;

Other areas of responsibility

- (mm) overseeing the process for the receipt, retention and treatment of information received under the Group's Whistleblower Policy, and procedures for complaints regarding matters relating to audit, financial statements, internal controls, misbehaviour, possible fraud or conduct that is in breach of the Group's Anti-Bribery Policy or Code of Conduct;
- (nn) reviewing and assessing the adequacy of the Group's insurance program and risk transfer strategies, at least annually;
- (oo) overseeing the establishment and management of the Group's tax risk management and control framework in accordance with Group Policy 3.04 – Group Tax Policy (Group Tax Policy);
- (pp) monitoring, assessing and reporting tax risks in accordance with the Group Tax Policy and escalating any material tax issues and non-routine tax matters to the Board as appropriate;
- (qq) reviewing the Group's annual Tax Contribution Report and recommending it to the Board for approval;
- (rr) holding individual executive sessions with the Chief Financial Officer or other senior management to discuss matters with the Committee, as appropriate; and
- (ss) performing any other duty or undertaking that the Board may request from time to time.

2 Structure and Composition

2.1 The Committee will comprise of:

- (a) only non-executive directors;
- (b) at least three members;
- (c) a majority of non-executive directors who are considered independent, as determined by the Board;
- (d) members who have the necessary technical, accounting and financial expertise, as well as a sufficient understanding of the industries in which the Group's businesses operate, for the purpose of discharging the role of the Committee effectively, and assessing and questioning information presented in Committee meetings; and
- (e) at least one member who has relevant financial qualifications and experience.

2.2 The Chairman of the Committee will be appointed by the Board and must be a non-executive director who is not the Chairman of the Board and is considered by the Board to be independent.

- 2.3 The Board may determine the appointment and term of any member of the Committee at any time. Retirement and renewal of Committee members shall be reviewed on an ongoing basis by the Board.
- 2.4 Any directors of the Board who are not Committee members are entitled to attend Committee meetings and receive copies of the Committee papers.
- 2.5 The Committee, through the Committee Chairman, may extend an invitation to any person to attend all or part of any meeting of the Committee which it considers appropriate. In particular, the Committee may request the Group Managing Director, Chief Financial Officer, the Group General Counsel, the Executive General Manager, Group Accounting, Risk and Assurance, the General Manager, Group Assurance, the General Manager, Risk and Compliance and the external auditors to attend any meeting of the Committee, for a duration as determined by the Chairman of the Committee.
- 2.6 The Committee will appoint a Committee Secretary who will act as secretary for all meetings of the Committee. The Committee Secretary or a nominee will take minutes, distribute these to Committee members for comment, and have these approved by the Committee Chairman as soon as practicable after each meeting.
- 2.7 The minutes of each Committee meeting will be tabled as part of the Board papers for the next Board meeting occurring after the minutes have been approved by the Committee Chairman.

3 Meetings

- 3.1 The Committee will meet at least four times annually and will hold additional meetings as it deems necessary.
- 3.2 At a meeting of the Committee, the number of Committee members whose presence is necessary to constitute a quorum will be two (2).
- 3.3 Any member of the Committee, the Chief Financial Officer or the auditors may request the Committee Chairman to convene a meeting of the Committee at any time. That request will be in writing and include an outline of the purpose for that meeting.
- 3.4 The Committee Chairman will convene a meeting for a date no later than 21 days after receipt of that request.
- 3.5 The Committee Chairman is responsible for the conduct of all Committee meetings. Matters arising for determination at a Committee meeting must be decided by a majority of votes cast by the members present and entitled to vote on the matter. The Committee Chairman has a casting vote, subject to the terms of the Constitution.
- 3.6 The Committee Secretary is responsible for distributing meeting notices, agendas and Committee papers to members prior to each meeting.
- 3.7 The Committee will be responsible for developing an annual agenda, to ensure that the Committee reviews, assesses or reports (as applicable) on each of the areas for which it is responsible under this Charter.

4 Access to Information and Independent Advice

- 4.1 The Committee has the authority to require:
 - (a) the attendance of any management or employee of the Group and the right to interview them;
 - (b) access to, and meeting with, the external and internal auditors without executives or management of the Group present; and

- (c) unrestricted and unfettered access to any information, document, report or material in the possession of any manager, employee or entity of the Group, and all employees and managers must comply with such requests from the Committee, subject to any legal requirements, including any fiduciary or statutory duties of Committee members.
- 4.2 The Committee may engage any independent legal, financial or other advice as it considers necessary to adequately discharge its responsibilities under this Charter, at the Company's expense.

5 Reliance

- 5.1 The Committee members are entitled to rely on:
- (a) information or advice of management and employees of the Company on matters within their area of responsibility; and
 - (b) the advice of internal and external counsel and other experts on matters within their areas of expertise,
- provided that reliance is permitted by law.
- 5.2 Before a Committee member can rely on information or advice referred to in clause 5.1, the Committee member must be satisfied that:
- (a) there are no facts or circumstances that he or she is aware, or ought to be aware, which would deny reliance; and
 - (b) he or she has reviewed the information or advice, having regard to the member's knowledge of the Group.

6 Reports to Board

The Committee will keep the Board informed of its activities through the provision of the minutes and Committee papers of each meeting. Additionally, the Committee Chairman will formally advise the Chairman of the Board of any matters or recommendations requiring the attention by the Board and will ensure that the Board are made immediately aware of any matters brought to the attention of Committee Chairman, that may significantly impact the financial condition or reputation of the Group.

7 Review and Assessment

- 7.1 The Committee will assess its effectiveness periodically and report on its findings to the Board. The Committee will also participate in regular evaluations, as part of the Board and Committee review process.
- 7.2 The Committee will ensure its members undergo ongoing training and professional development appropriate to ensure that all members are best placed to discharge the Committee's responsibilities.
- 7.3 The Committee will review the Charter annually, with a view to amending the Charter if necessary, to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations, and meet the needs of the Company and the Committee.