



# LINDT & SPRÜNGLI

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## AUDIT COMMITTEE CHARTER

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CHOCOLADEFARBIKEN LINDT & SPRÜNGLI AG

Unless defined otherwise herein and except to the extent that the context requires otherwise, capitalized terms used in this Charter shall have the meanings assigned to them in the Organizational Regulations.

## 1. PURPOSE/MISSION

The AC supports the Board of the Company in its functions, particularly with respect to the main areas of audit, completeness and accuracy of the financial statements, assessment and tracking of audit findings, compliance with statutory requirements on the qualification of the audit firm and the audit team (including independence) and the services of external auditors and the risk management of the Group. Unless explicitly provided otherwise, the AC supports the Board through preparatory and supporting activities and issues proposals and recommendations to the Board.

## 2. COMPOSITION

- 2.1 The AC shall consist of at least three independent Board members. The Chair shall not be the Committee chair.
- 2.2 At least two members must possess substantial experience in finance and accounting (financial literacy). The others should be familiar with the matters of accounting and audit.

## 3. POWERS AND DUTIES

- 3.1 The AC assesses the quality of the Company's financial reporting (consolidated and stand-alone), the reporting expediency and effectiveness of the internal control systems and ensures ongoing communication with the external auditors.
- 3.2 The AC constantly scrutinizes the Company's risk management principles and appropriateness of risks taken, especially in the areas of investments, currencies, raw-material procurement, and liquidity.
- 3.3 The AC reviews and discusses any fraud or fraudulent activities (including potential fraud or fraudulent activities), whether or not material, that involves members of the Board, members of the GM or other employees who have a significant role in the Group's internal controls.
- 3.4 The AC ensures that the Board is fully informed in the areas the AC oversees.
- 3.5 The AC makes recommendations to the Board for important decisions in the areas of investments, currencies, raw-material procurement, and liquidity, such as approval of risk management principles, adoption of the annual financial and sustainability statements or proposals for the appointment of the statutory auditors.

- 3.6 On behalf of the Board, which has fully delegated this task to the AC, the AC issues and adapts the *Group Approval Policy*.
- 3.7 The AC itself has, except for the enactment and amendments of the *Group Approval Policy* and unless explicitly stated otherwise, no decision-making powers. It may, however, decide independently to engage the internal and external auditors with special assignments and approve the cost and fee budget for audit tasks submitted by the internal and external auditors.
- 3.8 The AC does not perform any direct professional auditing.
- 3.9 In particular the AC shall:
- a) Financial reporting:
    - review the consolidated financial statements of the Group as well as the stand-alone financial statements of the Company;
    - discuss the financial statements with the CFO and, separately, with the responsible external auditor;
    - review, and challenge where necessary, the actions and judgements of management, in relation to the Company's half-year and year-end financial accounts;
    - assess whether the half-year or any other interim reports can be recommended to the Board for approval;
    - assess whether the individual and consolidated annual financial statements can be recommended to the Board for approval and for submission to the Annual General Meeting;
    - submit to the Board the motion for approval (or non-approval) of the stand-alone and consolidated financial statements;
    - with respect to the sustainability report, or, once integrated, with respect to sustainability reporting, assess the accuracy, completeness and compliance of sustainability related financial disclosures and the non-financial disclosures subject to audit or assurance, and recommend approval to the SC;
    - with respect to the compensation report, assess the accuracy, completeness and compliance of the financial parts of the compensation report subject to audit, and recommend approval to the CNC;
  - b) Internal control systems:
    - review the design and operating effectiveness of the internal control system (the "Lindt internal control system" (LICS) serves as information and control instrument within the Company);
  - c) Enterprise Risk Management (ERM):
    - review the functionality and effectiveness of the risk management, including the management of cyber risks;
    - review the financial risk analysis reports and the internal and external audit reports on the Lindt internal control system findings and recommend them to the Board for approval;
    - review and approve all other regular risk reports;
    - review periodically the risk management principles and submit, if appropriate, amendments to these principles to the Board for approval;
    - discuss the CFO's reporting on the risks taken, on risk-limiting measures, and on the justifiability of the risks taken;

- support the Board in obtaining reasonable assurance with respect to the Group’s risk management practices; annually review the Group’s risk profile; provide oversight on significant risk exposures and provide advice on the risk management process established by management;
- d) Compliance:
  - assess the status of compliance within the Company and review the effectiveness of the system for monitoring compliance with laws and regulations; where appropriate, review the follow-up of instances of non-compliance and the conclusions of the auditors;
  - review the group compliance reporting, document the Company’s compliance framework, systems, activities and improvement actions proposed and/or pursued by the various control functions;
  - review updates from the Company’s SpeakUp office regarding whistleblowing activities and trends;
- e) Internal Audit:
  - review and approve the internal audit plan and ensure that the internal audit function is adequately resourced and has appropriate standing within the organization;
  - ensure that the internal audit department maintains a direct reporting line to the AC, while it reports administratively to the CFO;
  - receive a report on the results of the internal auditors’ work on a periodic basis;
  - review and monitor management’s responsiveness to the internal auditor’s findings and recommendations;
  - assume the specific oversight powers and duties as stated in the Internal Audit Charter;
- f) External audit and assurers:
  - oversee the Company’s relations with the external financial auditor and any external sustainability auditor/assurer on behalf of the Board;
  - evaluate the external auditor, taking into account the fulfillment of the necessary qualification according to the applicable legal provisions as well as the auditor’s independence;
  - consider, and make recommendations on the appointment, reappointment or removal of the external auditor for the attention of the Board regarding the election of such auditor at the General Meeting;
  - discuss with the external auditor the nature and scope of the audit based on an analysis of current business and audit risks, and submit the audit plan to the Board for approval before the audit commences;
  - on behalf of the Board, which has fully delegated this task to the AC, approve of the fee budget for auditing work submitted by the external auditors;
  - review with the external auditors their audit findings, including any major issues that arose during the course of the audit and have subsequently been resolved as well as issues that have not yet been resolved, key accounting and audit judgements, levels of errors identified during the audit, obtaining explanations from management and, where necessary, the external auditors, as to why certain errors might remain unadjusted;
  - review significant issues raised in the audit reports before consideration by the Board, giving particular consideration to matters that relate to non-standard issues;
  - assess, at the end of the audit cycle, the effectiveness of the audit process (performance and fees);
  - regularly review and recommend to the Board the Company’s policy in relation to the provision of non-audit services by the auditor and ensure that the provision of such services does not impair the external auditor’s independence or objectivity.

- 3.10 In discharging its responsibilities, the AC shall have unrestricted access to the Company's management, books and records. It may obtain any information it requires from the appropriate internal departments and/or service providers.

#### 4. ORGANIZATION

- 4.1 Unless and to the extent defined otherwise herein, the organizational rules set forth in the Regulations shall apply to the AC.
- 4.2 The AC meets as often as business requires and at the request of any of its members, but at least four times a year.
- 4.3 The AC chair may ask other members of management as well as internal and external matter experts to attend the meeting or make presentations. Generally, the CFO participates in these meetings and has a standing invitation to attend all AC meetings as non-voting guest and to the extent the matter discussed does not relate to him individually. The external auditors and the Head of Internal Audit will attend these meetings at least once a year. The Chair and the CEO shall have standing invitations to attend all AC meetings as non-voting guests and to the extent the matter discussed does not relate to them individually. The other members of the GM may be invited to attend meetings or portions thereof. The AC shall meet with the Head of Internal Audit and external auditors at least once a year.
- 4.4 The AC chair shall prepare an agenda in advance of each meeting. At least a majority of the members of the AC must be present to have a quorum.
- 4.5 The AC chair shall appoint a secretary for the meetings. Minutes of the discussions and the resolutions of the AC shall be signed by the AC chair and the secretary and made available prior to the next meeting and approved at that next meeting. All minutes shall be made available to all Board members.
- 4.6 The AC may appoint independent outside counsel, at the Company's expense, if it deems it appropriate.
- 4.7 The AC chair shall report to the Board after each meeting of the AC by means of a short summary of its activities and findings and proposals.

#### 5. OTHER RESPONSIBILITIES

The AC shall:

- a) periodically review and reassess the adequacy of this Charter and submit proposed changes to the Board for approval;
- b) conduct annual evaluations of the AC's own performance.