

Central Garden & Pet Company

Charter for the Audit Committee of the Board of Directors

Reviewed and Approved October 3, 2017

Purpose

The Audit Committee is appointed by the Board of Directors (the “Board”) to assist the Board in overseeing (1) the quality and integrity of the Company’s financial statements and the Company’s accounting and financial reporting process and financial statement audits, (2) the Company’s systems of disclosure controls and procedures and internal control over financial reporting and compliance with ethical standards adopted by the Company, (3) the registered public accounting firm’s (independent auditor’s) qualifications and independence, (4) the performance of the Company’s independent auditors and internal audit function, and (5) the compliance by the Company with legal and regulatory requirements.

The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors as necessary to perform its duties and responsibilities.

Charter Review

The Audit Committee will review and reassess the adequacy of this charter at least annually and recommend proposed changes to the Board for approval. In addition, the Company will publicly file this charter if required by the rules of the Securities and Exchange Commission (the “SEC”), unless this charter is available on the Company’s website.

Membership

The Audit Committee must be comprised of at least three members of the Company’s Board of Directors. The members will be elected by and serve at the pleasure of the Board. The members of the Audit Committee may not be officers or employees of the Company. Each member of the Audit Committee must be an “independent director,” as defined by and to the extent required by the rules of the NASDAQ Stock Market LLC and the SEC. Members of the Audit Committee must not accept any consulting, advisory, or other compensatory fee from the Company other than for Board service.

All members of the committee must comply with the financial-literacy requirements of the securities exchange on which the company is listed. At least one member will qualify as an “audit committee financial expert” as defined by the SEC and determined by the Board.

Meetings

The Audit Committee will meet as often as it determines, but not less frequently than quarterly. The Audit Committee will meet with the Company’s independent auditor at least quarterly, including upon the completion of the annual audit to discuss the results of the independent auditor’s audit of the Company’s financial statements and internal controls, outside of the presence of management. The Audit Committee will also meet with the Company’s internal auditors at least quarterly, or more frequently if it deems appropriate. The Audit Committee shall make regular reports to the Board.

Committee Authority and Responsibilities

The responsibilities of the Audit Committee include the following:

1. Appoint (and recommend that the Board submit for shareholder ratification, if applicable), determine compensation for, retain and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. Review the performance and independence of the independent auditor and remove the independent auditor if circumstances warrant. The independent auditor will report directly to the Audit Committee and the Audit Committee will oversee the resolution of disagreements between management and the independent auditor if they arise.
2. Review the plan and scope of the audit and related services, and pre-approve all audit and permissible non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor. Consider whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence. The authority to pre-approve may be delegated to one or more members of the Audit Committee whose decisions will be presented to the full Audit Committee at the next regularly scheduled meeting.
3. Meet with management and the independent auditor to review and discuss the Company's annual financial statements and quarterly financial statements prior to publicly releasing earnings or the filing of these reports.
4. Review and discuss with the independent auditor any material weaknesses or significant deficiencies in the design or operation of the Company's internal control over financial reporting, and any fraud or potential fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting; as disclosed to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer in connection with the certification requirements for the Company's periodic reports on Form 10-K and Form 10-Q.
5. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and mitigate such exposures, including reviewing management's risk assessment and risk management policies.
6. Discuss with management and the Company's independent auditor any significant changes to generally accepted accounting principles ("GAAP"), SEC or other regulatory accounting policies or standards and any off-balance sheet structures that could impact the Company's financial statements.
7. Review and discuss with management the Company's earnings press releases prior to their release, including any "pro forma" or "adjusted" non-GAAP information.
8. Review any significant disputes between management and the independent auditor that arise in connection with the preparation of the audited annual financial statements, or interim financial statements reviewed by the independent auditor.
9. Hold timely discussions with the independent auditor regarding their required interim and annual auditor communications, which, among other things, describe all critical accounting policies and practices used, alternative GAAP methods discussed with management, the ramifications of using such alternative methods and the auditor's preferred method, and any other material written communications between the auditor and management.
10. Review issues regarding accounting principles and practices that could significantly impact the Company's financial statements and discuss with the Company's independent auditor significant accounting policies, management judgments and accounting estimates that affect the financial statements, any difficulties encountered in the course of the audit work, any restrictions on the scope of the auditor's activities or access to requested information, and disagreements with management, as required to be discussed by the PCAOB or SEC.

11. Review the required written statement from the Company's independent auditor as to their independence with respect to the Company, and discuss with the independent auditor and evaluate their independence, including whether any relationship identified, or any non-audit service provided, may impact the objectivity and independence of the independent auditor.
12. Confirm whether the independent auditor's proposed audit engagement team is in compliance with applicable auditor rotation rules, including the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
13. Oversee the adequacy of the Company's system of internal control over financial reporting, including obtaining reports from the independent auditor regarding such controls and reviewing any significant findings and recommendations of the independent auditor and management's responses, including any special remedial steps adopted to address material weaknesses or significant deficiencies in internal control.
14. Approve the selection of the internal auditor, and oversee the budget, staffing and work performed by the internal audit function. Review and discuss with the independent auditor the performance of the Company's internal audit function and the quality of the Company's financial accounting personnel.
15. Review and discuss with management the adequacy and quality of the Company's financial accounting personnel.
16. Review the regular internal audit reports to management (or summaries thereof) prepared by the internal audit function, as well as management's response.
17. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
18. Review and pre-approve all transactions between the Company and related parties defined as those transactions required to be disclosed under Item 404 of Regulation S-K.
19. Discuss annually with the individuals responsible for the compliance and ethics program the effectiveness of these programs in detecting and preventing violations of law and the Company's code of ethics, including any significant instances of noncompliance.
20. Recommend to the Board, as appropriate, that the audited financial statements be included in the Company's Form 10-K.
21. Prepare the Audit Committee report for inclusion in the Company's proxy statement and review required disclosures to determine if they comply with applicable SEC requirements.
22. Review and assess the results of any governmental or regulatory audits.
23. Meet with the Company's tax director periodically to assess significant tax risks and exposures.
24. Review and discuss with management any comments from the SEC relating to financial and accounting matters and the Company's responses.
25. Review with the Company's legal counsel any regulatory or legal matters which could have a significant effect on the Company's financial statements.

In addition to the above responsibilities, the Audit Committee will undertake such other duties as the Board delegates to it or that are required by applicable laws, rules and regulations.

The independent auditor will report directly to the Audit Committee, and the Audit Committee will ensure that the independent auditor understands its ultimate accountability to the Audit Committee, as representatives of the Company's stockholders.

The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals will be presented to the full Audit Committee at its next scheduled meeting.

The Audit Committee will have the authority, to the extent it deems necessary or appropriate, to retain and determine compensation for independent legal, accounting or other advisors. The Company will provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

Reports

The Audit Committee will, to the extent deemed appropriate, record its summaries of recommendations to the Board in written form that will be incorporated as a part of the minutes of the Board. The Audit Committee will also prepare and sign a Report of the Audit Committee for inclusion in the Company's proxy statement for its annual meeting of stockholders.

Limitation of Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management.