



## **Audit and Finance Committee Charter**

(Effective as of December 2009)

### **I. PURPOSE**

The Audit Committee is appointed by the Board of Directors (the "Board") to oversee the accounting and financial reporting processes and the audits of the financial statements of Green Mountain Coffee Roasters, Inc. (the "Company"), including monitoring the integrity of the financial reports and other financial information of the Company; compliance by the Company with legal and regulatory requirements; the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and the independence and performance of the Company's registered public accounting firm (the "Auditors") and the Company's auditing, accounting and financial reporting processes generally.

### **II. COMPOSITION**

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors as defined by applicable rules and regulations. Furthermore, no director shall be appointed to serve on the Audit Committee if they have participated in the preparation of the financial statements of the Company at any time during the past three years. All members of the Committee shall have a working familiarity with basic finance and accounting practices and be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. At least one member of the Committee shall be an "audit committee financial expert" as that term is defined in Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

### **III. MEETINGS**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee should meet at least annually with management, the director of the internal auditing function and representatives from the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee should meet with the Auditors and management quarterly to review the Company's financial statements consistent with the responsibilities and duties of the Committee set forth herein.

### **IV. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall: Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;

- Be directly and solely responsible for the appointment, oversight, evaluation, compensation and, replacement of any registered public accounting firm employed by the Company (the "Auditors");
- Review with management and the Auditors the financial statements to be included in the Company's Annual Report on Form 10-K and, the Annual Report to Stockholders, and review and consider with such accounting firm the matters required to be discussed by Statement of Auditing Standards ("SAS") No. 61, as amended from time to time;
- Review significant financial reporting issues and judgments made by management and the Auditors in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative GAAP methods on the Company's financial statements and a description of any transactions as to which management obtained SAS No.50 letters;
- Review with management and the Auditors the financial statements to be included in the Company's Quarterly Report on Form 10-Q and review and consider with such accounting firm the matters required to be discussed by Statement of Auditing Standards ("SAS") No. 61, as amended from time to time;
- Establish and, from time to time, review and reassess, procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters;

- Review major changes to the Company's auditing and accounting principles and practices as suggested by the Auditors, management or internal auditors;
- Provide, by the Chairman of this Committee approval (who shall disclose such approval to the other members of the Committee) prior to the engagement of the Auditors to perform any non-audit services for the Company, determine appropriate compensation for such services and, as required by applicable law or regulation, disclose such approval to investors;
- Receive periodic reports from the Auditors which show all critical accounting policies and practices used in connection with the Company's audit; all alternative treatments of financial information with GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor; and other material written communications between the Auditor and management, such as any management letter or schedule of unadjusted differences;
- Receive from the Auditors a formal written statement delineating all relationships between the Auditor and the Company, consistent with Independence Standards Board Standard 1, as amended, and be responsible for actively engaging in a dialogue with the Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking or recommending that the board of directors take appropriate action to oversee the independence of the Auditor;
- Evaluate whether management is properly and adequately emphasizing the importance of internal control measures throughout the organization;
- Respond to and oversee corrective action in connection with reports by executive officers of deficiencies in the design or operation of internal controls or fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
- Resolve disagreements between management and the Auditors regarding financial reporting;
- Engage and compensate independent counsel and other advisors, as it determines necessary to carry out its duties, and determine appropriate compensation for such counsel and advisors;
- Approve all transactions that would be required to be reported as related party transactions pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act; and
- Perform such other tasks and undertake such other duties and responsibilities as the Board of Directors may direct from time-to-time.

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

## **V. RESOURCES AND AUTHORITY**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities and the Company will provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for the payment of: (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (2) compensation to any advisers employed by the Committee pursuant to this Charter; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.