

AUDIT COMMITTEE CHARTER

1. Articles of Incorporation

The Audit Committee shall be a committee of the Board established by resolution of the Board.

2. Purpose and Objectives of the Audit Committee

2.1 The objectives of the Audit Committee are:

To assist each Board to fulfil its statutory and fiduciary responsibilities by:

- (a) Providing objective, non-executive review of the effectiveness of the external reporting of financial information, and the internal control environment of the group, including obtaining an understanding of the tax and financial risks which face the Group.

To do this, the committee will:

- (a) Provide oversight of accounting policies and professional accounting requirements;
- (b) Provide oversight of internal and external audit functions;
- (c) Provide oversight of all statutory regulations requirements;
- (d) Provide oversight of the internal control environment.

The existence of the Audit Committee does not remove responsibility from the Board for duties which have been delegated to the Committee, or the need for the Board to monitor that delegation.

3. Membership

- (a) The number of members appointed to the Committee shall be no less than three.
- (b) The majority of the members shall be Independent Directors as defined by NZX Listing Rules.
- (c) At least one member of the Committee must be a chartered accountant or someone who has another recognised form of financial expertise.
- (d) The chair of the Committee shall be appointed by the Board. He/she shall be an Independent Director, without any executive responsibilities.
- (e) The CRO of the Risk Committee is appointed as chairman of the Audit Committee to ensure the flow of relevant information between the two committees.
- (f) Other Directors who are not members of the Audit Committee are entitled to attend Committee meetings at the invitation of the Audit Committee and will receive appropriate copies of the papers.

- (g) The Chair shall appoint the Secretary.

4. Meetings and Reporting

- (a) The Managing Director (MD) and/ or Nominated Executive Director (NMED) shall be invited to attend the meetings.
- (b) Meetings shall be held at least four times per annum, and as required, having due regard to the company's reporting and audit cycle.
- (c) A notice and agenda shall be prepared and circulated to all members and attendees within a reasonable time frame.
- (d) Minutes shall be kept of all meetings and circulated to all Committee Members, Directors and as appropriate, to attendees.
- (e) A quorum for a meeting shall be three members of the Committee and at least 2 of these must be non-executive directors.
- (f) A member of the Committee who is also an executive director will be excluded from the part of the meeting at which the Committee wishes to discuss any matters without the presence of management, particularly when the External Auditor and/or Internal Auditor are present.
- (g) Copies of all reports submitted to the Committee will be circulated to all Directors.
- (h) After each Committee meeting the chairman shall report the Committee's findings and recommendations to the Board.

5. Authority

- (a) The Committee is authorised by the Board to investigate any activity within its charter or as directed by the Board.
- (b) The Committee is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.
- (c) The Committee is authorised to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary.
- (d) The Committee shall have direct communication with, and unrestricted access to, the independent auditor and any internal auditors and accountants.

6. Responsibilities and Duties of the Committee

The duties and responsibilities of the Audit Committee are as follows:

- (a) Provide an independent review of the Group's financial reporting and the financial information prepared by management including oversee accounting policies and associated requirements.

- (b) Recommend to the Board for approval, the financial statements of Pyne Gould Corporation Limited (Consolidated & Parent).
- (c) Provide assurance on the governance and control for the Group covering key business processes including risk frameworks.
- (d) Review the processes that are used to reach the opinions provided in the regulatory certifications of the Managing Director and Nominated Executive Director, and management's report on the internal control over financial reporting, and the disclosures made.
- (e) Oversee, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders, and review and approve the external auditor's fee.
- (f) Oversee and appraise at least annually the independence, adequacy and effectiveness of the external and internal auditors (including the rotation of the external audit partner), and the scope and progress of their audit plans.
- (g) Review and advice, for the purposes of the directors' report to be included in the annual financial report, the provision of all non-audit services by or on behalf of the external auditor during the year to the Group, whether those services comply with the regulatory auditor independence requirements and the reasons why.
- (h) Confirm the appointment or dismissal of the Group Auditor.
- (i) Oversee and monitor the resolution of significant internal control deficiencies from Group Audit and the external auditor.
- (j) Oversee the Employee Whistleblower and Customer Complaints Policies and procedures to ensure compliance by staff and that all issues raised are appropriately dealt with.
- (k) Review and discuss any reports concerning material actual and potential violations of laws and regulatory requirements.
- (l) Detailed guidelines of specific duties and signing authorities are included in the **attached** – Tasks to be Undertaken and Approval Levies.

7. **Review of the Committee**

- (a) The Board shall undertake a regular review, at least annually of the Committee's performance, objectives and responsibilities.
- (b) The Committee may recommend to the Board any amendments to this Audit Committee Charter.