

Audit & Risk Committee Charter

1 Purpose

The role of the Audit & Risk Committee (“A&R Committee”) is to assist the Board of the Company to comply with laws, regulation and standards in relation to:

- external financial reporting;
- internal and external audit functions;
- climate related reporting;
- related party transactions; and
- risk management, including protection of customer information and IT security.

These responsibilities will include (without limitation) matters involving the Companies Act, Financial Markets Conduct Act and NZX requirements, as determined by the Board.

The Board holds full accountability for audit and risk.

2 Composition of A&R Committee

The Board is responsible for the appointment and removal of A&R Committee members, and for appointing the Chair. The A&R Committee will:

- comprise a minimum of three directors, no more than half of whom may be associated with a single shareholder;
- preferably have a director who is a chartered accountant as Chair;
- have at least one member with an accounting or financial background; and

- require at least two A&R Committee members be present, including one independent director, for a quorum to be reached.

Employees may attend meetings at the invitation of the A&R Committee.

3 Responsibilities

The A&R Committee’s primary functions are described below and set out more fully in Table 1 – A&R Committee Responsibilities.

- **Financial Reporting:** The A&R Committee’s function is to assist the Board in producing accurate financial statements in compliance with all applicable legal requirements and accounting standards
- **Internal Audit:** The A&R Committee has oversight of the Company’s internal audit programme;
- **Risk Management:** The A&R Committee’s is responsible for risk oversight within the risk parameters defined by the board. The Committee ensures that procedures are in place to minimise the likelihood of loss or harm from each of the identified risks.
- **External Audit:** The A&R Committee has oversight of the Company’s External Audit.
- **Climate Related Reporting:** The A&R Committee is responsible for oversight of climate strategy and ensuring the appropriateness of the Company’s climate related disclosures and associated processes. The Board is responsible for oversight of the overall Company ESG strategy.
- **Internal Policy Review:** The A&R Committee is responsible for regularly reviewing the Company’s key financial and risk management policies.

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4 Powers

In discharging its role, the A&R Committee can:

- access any information, resources or assistance it requires from any officer of the Company;
- obtain (at the Company's expense) independent professional advice considered necessary to carry out its responsibilities;
- meet with internal / external auditors without Management present to discuss audit findings; and
- make recommendations to the Board on all matters requiring a decision.

The A&R Committee does not have the authority to make decisions on behalf of the Board unless specifically stated in this Charter.

A&R Committee Responsibilities

The following table sets out the key responsibility of the A&R Committee in more detail.

Financial Reporting	Internal Audit	Risk Management	External Audit	Climate Related Reporting	Internal Policy Review
<ul style="list-style-type: none"> ● Ensure all financial information for external purposes is accurate, not misleading, contains appropriate disclosures & complies with all relevant accounting standards. ● Review all financial information (with auditors & management) prepared for external purposes ● Ensure the Board is properly & regularly updated on all financial matters ● Monitor & review: <ul style="list-style-type: none"> • Compliance with statutory & regulatory matters (including related party transactions) • Significant accounting & reporting issues including regulatory changes/reports • Overall debt, cash & treasury management • Generation asset valuations, & recommend approval to Board as appropriate 	<ul style="list-style-type: none"> ● Oversight of the internal audit programme ● Review & approve the annual Internal Audit Programme, audit scope & appointment of internal auditors ● Monitor progress of the Internal Audit Programme & ensure there are no unjustified limitations imposed by management ● Ensure management respond to recommendations by the internal auditor ● Review audit findings & management's response ● Determine adequacy of internal controls ● Monitor progress of audit recommendations ● Oversight of legal compliance ● Provide recommendations to the Board, where further action is required. 	<ul style="list-style-type: none"> ● Provide strategic guidance & feedback to the Board & management on the Enterprise Risk Management (ERM) framework ● Review & monitor the effectiveness of the ERM Framework & the maintenance of an appropriate risk culture ● Quarterly review all existing and emerging critical risks ● Annually review all enterprise risks ● Report material changes to Manawa Energy's risk profile to the Board & how these are being managed (including any incident involving fraud, or other failure of internal control) ● Review residual material risks & alignment with Board risk appetite and recommend risk appetite changes to the Board ● Review the adequacy of the insurance programme & recommend to the Board any significant changes to insurance cover. 	<p>Oversight of external audit, including:</p> <ul style="list-style-type: none"> ● Provide recommendations to the Board regarding appointment (& removal) of external auditors & their fees ● Review proposed audit scope & ensure there are no unjustified limitations to scope ● Agree & sign external audit engagement letters ● Confirm independence of external auditor ● Review the performance of the external auditors ● Ensure external auditors are responsible to the shareholders for the exercise of their statutory responsibilities ● Ensure significant findings & recommendations are received & discussed on a timely basis & management responds to recommendations ● Meet with external auditors to discuss matters arising from external financial statements ● Meet with external auditors without management present at least annually. 	<ul style="list-style-type: none"> ● Review all Climate Related Disclosures (CRDs) and engage with management and the assurance provider in relation to the same ● Ensuring that management has established an appropriate system of controls and management in relation to climate related risks and record keeping ● Recommend the annual CRD for approval to the full Board 	<p>Review the following key policies and recommend to the Board any material changes:</p> <ul style="list-style-type: none"> • Treasury Policy (annually) • Delegated Financial Authorities (annually) • Tax Policy (2 yearly) • Risk Policy (2 yearly) • Privacy Policy (including the Internal Privacy Statement and External Privacy Statement) (2 yearly)

5 External auditor independence

The A&R Committee is responsible for oversight of the Company's external audit arrangements, including audit independence.

The A&R Committee ensures that external audit practices and processes are informed by the International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand).

The external auditor is required to **confirm their independence** to the A&R Committee at least annually.

Members of the external audit team are **not permitted to**:

- undertake any role not permitted under the code of ethics;
- audit their own work;
- own shares in the Company either directly or indirectly through another vehicle (e.g. trust) over which they have control or influence;
- function as management or be a close relative of any employee of the Company who is in a management position; or
- transact with the Company in a personal capacity, unless that transaction is immaterial and routine.

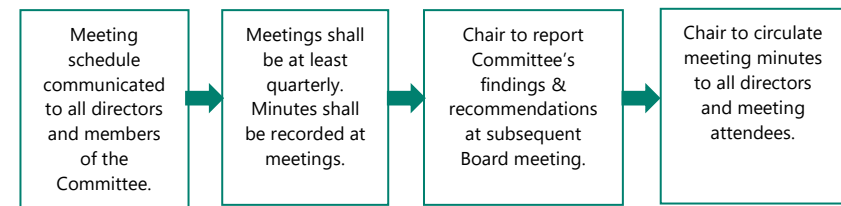
To ensure independence of the external auditors are maintained:

- the Company's audit fee cannot be more than 15% of the Audit firm's total revenue;
- new non-assurance services (NAS) across the Manawa Group are required to be approved by the A&R Committee Chair and Lead Audit Partner. This process must be completed before the audit firm can accept and commence any engagement for any NAS and will ensure

the Lead Audit Partner enforces this process. The A&R Committee should satisfy themselves that the safeguards applied by the audit firm appropriately address any self-review threats;

- the audit team will provide a summary of all non-audit and non-assurance services provided across the Group to the A&R Committee on an annual basis and confirm their ongoing independence;
- the Company's Lead Audit Partner will be changed at least every five years; and
- hiring of any partner or audit management from the audit firm must first be approved by the Chair of the A&R Committee.

6 A&R Committee Meetings & Procedure



7 A&R Committee review

The Board will assess the effectiveness of the A&R Committee every two years after the end of the financial year. The findings should be considered by the A&R Committee and Board and actioned appropriately.

8 Document management

The Board will review and approve this Charter at least annually or as often as considered necessary.

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8.1 Charter review process



8.2 Charter history

Date	Version	Name
2023	6.0	Audit & Risk A&R Committee Charter
2022	5.0	Audit & Risk A&R Committee Charter
2021	4.0	Audit & Risk A&R Committee Charter
2020	3.0	Audit & Risk A&R Committee Charter
2017	NA	Audit and Risk A&R Committee Charter
2012	NA	Audit A&R Committee Charter