

Straker Limited

Audit and Risk Committee Charter

1. Role

The Audit and Risk Committee (**Committee**) is a sub-committee of the board of directors (**Board**) of Straker Limited (**Straker**).

The Committee's role is to assist the Board to fulfill its responsibilities in relation to:

- financial reporting principles and policies, controls and procedures;
- integrity of Straker's financial statements;
- external audit functions;
- internal control processes and effectiveness, including controls to safeguard Straker's assets;
- assisting the Board in ensuring effective and efficient risk management; and
- compliance with applicable legal and regulatory requirements.

2. Committee membership

Straker's Board will appoint and remove the members of the Committee and the chair of the Committee (the **Committee Chair**).

The Committee will comprise at least three members. All members must be non-executive directors and a majority of the non-executive directors must be independent.

The Board will seek, where possible and appropriate having regard to the qualifications, skills and experience of the directors, to appoint as Committee Chair a non-executive director who is independent. In the event that the independent non-executive directors of Straker are not eligible or available to serve as the Committee Chair, the Board will appoint as Committee Chair a non-executive director who is not independent.

The Committee Chair will not be the chair of Straker's Board.

All Committee members must be financially literate, with at least one member being a member of the Institute of Chartered Accountants of New Zealand.

3. Committee meetings – procedural requirements

Frequency

The Committee shall meet as it deems necessary to properly fulfill its obligations and discharge its duties

Invitees

- All directors of Straker have a standing invitation to attend Committee meetings. Members of management may be invited to attend any Committee meeting, as the Committee considers necessary.
- Any member of the Committee may, with the Committee Chair's prior approval, invite any non-member to attend and participate in a meeting of the Committee. Any such invitee will not have any vote.
- The Chief Executive Officer and Chief Financial Officer (as applicable) will generally attend meetings of the Committee, unless the Committee Chair decides otherwise.
- The partner of the company in charge of the external audit will be invited to relevant parts of meetings.
- Other senior managers may be invited to attend relevant parts of meetings.
- The Committee Chair will, periodically, call a meeting with the external auditor independent of management.

Quorum

- A quorum may be formed by two Committee members, at least one of whom is independent, unless otherwise stipulated by the Board, although all Committee members are expected to attend (either in person or by conference call or similar means) and participate.

Method and Materials

- Committee papers and minutes of Committee meetings are distributed to all of Straker's Board. A report on matters addressed by the Committee is provided at the next Straker board meeting.
- If the Committee Chair is absent from a meeting and no acting Committee Chair has been appointed, the members present may choose one of them to act as Committee Chair for that meeting.
- Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- The company secretary will attend all Committee meetings and provide such assistance as may be required by the Committee Chair in relation to preparation of the agenda, minutes or papers for the Committee.

Other

- Following each meeting of the Committee, the Committee Chair will report to the Board on any matter that should be brought to the attention of the Board, and on any recommendation of the Committee that requires Board approval or action.
- Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.

- The Committee will convene a meeting if the external auditors so request.

4. Duties and Responsibilities

The primary responsibility of the Committee is to report to Straker's board of directors and provide appropriate advice and recommendations on matters relevant to this Charter, in order to facilitate decision-making by the board.

(a) Financial Reporting and the Integrity of the Financial Statements

In order to fulfil its responsibilities to the Board, the Committee will:

- monitor Straker's financial and liquidity position, review whether Straker has sufficient financial resources to achieve its strategic plan, and monitor and confirm that it is able to meet its debts and other obligations when they are due;
- review, with management and Straker's external auditor, the Straker financial statements intended for external publication, and will then make recommendations about approval to the Board, including whether they provide a true and fair view of the financial position of the company;
- review all representation letters signed by management in connection with the Straker financial statements to ensure that all relevant matters are addressed;
- review and report to the Board on the results of the half-year review and the full year audit and any other matters required to be communicated to the Committee by the external auditor under generally accepted auditing standards;
- review and report to the Board on the adequacy of the processes used to prepare the financial statements, including the appropriateness of the accounting judgments or choices exercised by management; and
- review Straker's accounting policies and financial reporting practices to ensure their suitability and compliance with generally accepted accounting practice and applicable accounting standards. The Committee will assess the impact of changes in accounting standards and review recommendations for adoption of such changes in the financial accounts.
- review any significant disagreements among management and external auditors relating to the preparation of the financial statements.

The Committee Chair or, if the Committee Chair is not available, a Committee member should attend the Annual Meeting of Straker and be available to answer any questions from shareholders about the Committee's activities or the conduct of the audit and financial reporting. The external auditor will be invited to each Annual Meeting of Straker.

(b) External Audit Functions

In order to fulfil its responsibilities to the Board, the Committee will:

- make recommendations to the Board on the appointment, reappointment or replacement (subject to shareholder approval) of the external auditor. The Committee will monitor and report to the Board on the effectiveness, performance and independence of the external auditor;
- review, approve and report to the Board on the fees for and terms of the external auditor's engagement, and on the scope and adequacy of the audit plan of the external auditors; and
- review and report to the Board on the provision of non-audit services by the external auditors and whether it might compromise the independence of the external auditor, and the rotation of the audit engagement partner.

(c) Internal Audit Functions

In order to fulfil its responsibilities to the Board, the Committee will:

- review with management and the internal auditor (if one is appointed), the scope and activity of the internal audit function;
- meet with the internal auditor and management to review internal audit reports and monitor management responses;
- meet separately with the internal auditor, at least once a year, to discuss any matters that the Committee or internal auditor believes should be discussed privately;
- review the effectiveness of the internal audit activity; and
- ensure there are no unjustified restrictions or limitations, and consider and approve the appointment, replacement or dismissal of the internal auditor by management.

(d) Internal Controls and Compliance

The Committee will review and report to the Board on the overall adequacy and effectiveness of:

- internal control systems, including accounting and financial controls, and compliance with those controls;
- controls and processes to safeguard Straker's assets;
- compliance with applicable laws and regulations, including taxation compliance;
- ethical compliance, including Straker's Code of Conduct and fraud and whistleblowing policies; and
- Straker's insurance coverage, including the nature and extent of such coverage, to determine if the coverage is adequate for Straker's needs.

The Committee will review and report to the Board on:

- any material threatened or actual claims or issues of which the Committee is aware in relation to taxation and legal matters; and

- any material incident of which the Committee is aware implicating non-compliance with internal controls, such as fraud.

(e) Risk Management

The Committee will assess and review:

- the overall adequacy and effectiveness of Straker's risk management framework, and the methodology and processes for assessing, monitoring and managing financial and non-financial risks (including confirming that Straker's risk management program effectively identifies new areas of potential risk);
- whether adequate policies and procedures have been designed and implemented to manage identified risks, including a risk register that describes the material risks;
- whether processes are in place to ensure that proper remedial action is undertaken to address areas for improvement; and
- the need for internal audit (as required).

The Committee will conduct the reviews provided in 4(a) – (e) above at least annually and report to the Board with the results.

(f) Related Party Transactions

In order to fulfil its responsibilities to the Board, the Committee will review and monitor related party transactions and investments involving Straker and its directors. Any material related party transactions must receive the prior approval of the Committee before they are entered into.

5. Authority

The Committee will not take any actions or make decisions on behalf of the Board unless specifically mandated. However, the Committee has the delegated authority of the board to fulfil the duties and responsibilities in this Charter, subject to the Committee keeping the Board informed of its activities, and subject to any legal or regulatory obligation on the Board, to:

- retain, terminate and consult with outside or other independent external advisers (including any external accounting, legal, tax or other professional advisers, consultants or specialists, as it may consider necessary or desirable to fulfil its objectives) at Straker's expense;
- discuss directly with management or the external auditors any issue within its remit and to request reports, explanations and information;
- access such internal resources as it may consider necessary or desirable to fulfil its objectives;
- delegate any of its responsibilities to the Committee Chair from time-to-time and on such occasions

that the Committee considers appropriate;

- investigate any activity within the Committee's responsibilities under the terms of this Charter;
- communicate with any Straker employee to seek any information required in order for the Committee to carry out its role; and
- deal with matters requiring a decision by way of written resolution. A written resolution will be deemed to have been passed once a majority of members eligible to vote have signed it, and will be effective the date the last member constituting the majority signs. Such written resolution is as valid and effective as if it had been passed at a meeting of the Committee duly convened and held.

6. Review of Charter

The Audit and Risk Committee will undertake regular self-review of its duties and responsibilities and seek feedback from the Board.

It shall recommend to the Board any suggested changes of the Committee and the terms of this Charter.

Last reviewed: May 2024