

AUDIT AND RISK COMMITTEE CHARTER

1. PURPOSE OF COMMITTEE

- 1.1 The purpose of the Audit and Risk Committee (the Committee) is to
- a. assist the Board of Directors of Port of Auckland Limited (the Board) in fulfilling Board responsibilities relating to
 - financial reporting
 - external audit
 - risk management (excluding health & safety which is supported by the Safety & Wellbeing Committee)
 - policies, legal and regulatory compliance
 - internal audit
 - b. provide a forum to enable communication between the Board and the senior financial management; and
 - c. improve the efficiency of the Board by allowing for issues within the Committee's responsibilities to be discussed in sufficient depth.
- 1.2 Although the Committee can assist the Board in the proper and efficient discharge of its responsibilities, the Committee does not relieve the Board of its responsibilities.

2. CONSTITUTION

- 2.1 The Committee is a committee of the Board.
- 2.2 The Committee has the authority to seek any information it requires from any officer or employee of the Group and from any adviser or consultant to the Group, and is authorised to take such independent professional advice as it considers necessary.
- 2.3 Notwithstanding the existence of the Committee, the Internal Auditor and the External Auditor have direct access to the Committee Chair and Board if required.
- 2.4 In performing its duties, the Committee will maintain effective working relationships with the Board, Management, External Auditors and Internal Auditors.
- 2.5 The Committee may make recommendations to the Board but does not have the power to make decisions in its own right except as expressly stated in this Charter or otherwise directed by the Board.

3. MEMBERSHIP

- 3.1 The Committee will be appointed by the Board from amongst the non-executive Directors of the Company and will consist of not less than three members. A quorum will be two members.

- 3.2 The Committee Chair (the Chair) will be appointed by the Board and will not be the Chair of the Board.
- 3.3 At least one member will have an accounting or financial background.
- 3.4 The Board Chair is ex officio a member of the Committee.
- 3.5 The composition of the Committee will be considered by the Board as necessary.

4. MEETINGS

- 4.1 The Committee will meet not less than four times a year. The Committee will hold such additional meetings as the Chair will decide in order to fulfil its duties.
- 4.2 Any member of the Committee, the Chief Executive Officer, the Chief Financial Officer, the Head of Governance & Risk, the Internal Auditor or the External Auditor may request a meeting at any time if they consider it necessary.
- 4.3 All members of the Board may attend meetings of the Committee.
- 4.4 The Chief Executive Officer, Chief Financial Officer, Head of Finance and Head of Governance & Risk will attend Committee meetings.
- 4.5 Other management, the External Auditor and the Internal Auditor will attend meetings as required by invitation of the Chair.
- 4.6 The Head of Governance & Risk will ensure reasonable notice of the meetings is given to all Directors and invited attendees.
- 4.7 The Head of Governance & Risk will ensure Committee papers are made available to all members of the Board at least three clear working days before each meeting.

5. REPORTING

- 5.1 The Chair will report to the next Board meeting on the outcomes of Committee meetings.
- 5.2 The Head of Governance & Risk will ensure minutes of Committee meetings are made available to members of the Board, the Chief Executive Officer, the Chief Financial Officer and to such other persons as the Chair directs.
- 5.3 The Chief Executive Officer and the Chief Financial Officer are responsible for drawing to the Committee's immediate attention:
 - a. any material matters which relate to the financial condition of the Group;
 - b. any material breakdowns in internal controls;
 - c. any actual or suspected events of fraud or malpractice;
 - d. any significant legislative non-compliance.

6. RESPONSIBILITIES

- 6.1 Financial Reporting

- a. Review accounting policies and practices, in particular new policies or amendments to existing policies, to ensure appropriateness and compliance with generally accepted accounting practice and applicable financial reporting standards.
- b. Review significant accounting and reporting issues, areas where material judgements are made, complex or unusual transactions, disclosure issues and any legal matters that could impact the the financial statements and associated statutory disclosures. Provide advice to the Board on resolution of these matters.
- c. Receive and review the six monthly and annual financial statements and recommend to the Board for approval.
- d. If Shareholder financial reporting is required prior to Board approval of the financial statements, confirm appropriateness of draft financial statements as the basis for reporting financial results to Shareholder and approve the result for issue.
- e. Consider and make recommendations to the Board regarding completion of bank facility compliance certificates.
- f. Consider and make recommendations to the Board regarding payment of a dividend.
- g. Receive and review annual climate related disclosure statements.
- h. Review the effectiveness of the systems, processes and controls that underpin financial reporting at regular intervals.

6.2 External Audit

- a. Review and approve the External Auditors' proposed audit scope, the emphasis of the annual external audit plan and the engagement letter.
- b. Review and recommend to the Board the external audit fee.
- c. Ensure that significant findings and recommendations made by the External Auditors are received, discussed and appropriately acted on within the agreed timeframes.
- d. Discuss with the External Auditor the appropriateness of the accounting policies applied in the financial reports.
- e. Review and recommend to the Board the policy for the provision of non-audit services by the External Auditor and, if considered appropriate, approve the use of the external auditor for non-audit work.
- f. Meet separately with the External Auditors to discuss any matters that the Committee or External Auditors believe should be discussed privately including any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
- g. Consider the independence of the External Auditor and any potential conflicts of interest, specifically ensuring compliance with the Auditor Independence Policy and that the lead audit partner is changed at least every five years.

- h. Review on an annual basis the performance of the External Auditor.

6.3 Risk Management

- a. Review and recommend to the Board an enterprise risk management policy and framework which includes relevant risk appetite statements.
- b. Receive and review reports according to the approved risk management policy and framework, monitor progress on remediating control/mitigation deficiencies for key risks and report any significant findings to the Board.
- c. Assess the Group's risk culture by maintaining a dialogue with senior management, maintaining oversight of key risks and reporting any significant findings to the Board.

6.4 Policies, Legal and Regulatory Compliance

- a. Review and recommend for Board approval, a Policy Framework which ensures that appropriate policies and associated compliance programmes are assigned to this Committee or another appropriate Committee for oversight.
- b. Review and recommend policies for Board approval as required by the Policy Framework.
- c. Monitor policy, legislative and regulatory compliance through reviewing the effectiveness of the systems for monitoring compliance, reviewing periodic compliance reports and monitoring progress on remediating compliance deficiencies.

6.5 Internal Audit

- a. Review and approve the Internal Audit Charter including the nature, scope and function of internal audit.
- b. Appoint the Internal Auditor.
- c. Review and approve the annual internal audit plan ensuring that it addresses key areas of risk.
- d. Ensure that significant findings and recommendations made by the Internal Auditors are received, discussed and appropriately acted on within the agreed timeframes.
- e. Meet separately with the Internal Auditor to discuss any matters that the Committee or Internal Auditor believe should be discussed privately.
- f. Consider the independence of the Internal Auditor and any potential conflicts of interest.
- g. Review on an annual basis the performance and effectiveness of the Internal Auditor.

6.6 Other

- a. Review and recommend to the Board for approval the appropriate insurance coverage and deductibles, including Director and Officer Liability Insurance.

- b. Review annual tax risk report.
- c. Receive whistleblower and other serious complaints, making recommendations to the Board as required.
- d. Confirm adherence to Council's Continuous Disclosure Policy.
- e. Prepare and issue reports required by Council Audit and Risk Committee.
- f. Review any other matter referred to the Committee by the Board.

7. REVIEW

7.1 This Charter will be reviewed annually.

7.2 The Committee will confirm annually that they have carried out the responsibilities in this Charter and report to the Board on the Committee's self-assessment of effectiveness.

Board approved: 22 November 2023