

## 1 Constitution

The audit and risk Committee (Committee) of Argosy Property Limited (Company) shall be a Committee of the Board established by the Board.

## 2 Objective

The objective of the Committee is to assist the Board by overseeing the financial, accounting and risk management responsibilities of the Company.

## 3 Membership

The Committee shall have a minimum of three members. All members must be non-executive directors, the majority must be independent directors and at least one member must have an accounting or financial background.

The Committee's relationship with the Independent Auditor is set out in the Company's External Auditor Independence Policy.

## 4 Secretarial and Meetings

The secretary of the Committee shall be appointed by the Board.

A quorum of members of the Committee shall be two.

The Committee may invite management including the Chief Financial Officer, and the external auditors, as it considers necessary to provide appropriate information and explanations.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee, all other members of the Board, the Chief Executive Officer, and the Chief Financial Officer.

Directors who are not members of the Committee and employees may attend meetings of the Committee.

Any member of the Committee, the Chief Executive Officer, the Chief Financial Officer or the external auditors may request a meeting at any time if they consider it necessary.

Minutes of all meetings shall be kept.

The Committee shall be subject to both the Company's constitution and the requirements of this constitution, but shall otherwise be free to regulate its own procedure.

## 5 Responsibilities

The responsibilities of the Committee are as follows:

### FINANCIAL REPORTING AND AUDIT

- a) ensuring that processes are in place and monitoring those processes so that the Board is properly and regularly informed and updated on corporate financial matters;
- b) appointment and removal of the external auditors;
- c) having direct communication with and unrestricted access to the external auditors;
- d) reviewing the to-be-published financial reports and advising all directors whether they comply with the appropriate laws and regulations;
- e) ensuring the external auditors or lead audit partner is changed at least every five years;
- f) reviewing the performance and independence of the external auditors; and
- g) monitoring compliance with the Financial Reporting Act 2013, the Financial Markets Conduct Act 2013, the Companies Act 1993 and the NZSX Listing Rules;
- h) assess whether the resources devoted to the Company's accounting function are adequate to ensure that reporting arrangements are of high quality – and to advise the Board of any identified shortcomings;
- i) consider the completeness and quality of financial and operational information being provided to the Board, and suggest ways in which those reports might be improved; and
- j) periodically seek advice from the external auditors regarding the completeness and quality of financial and operational information being provided to the Board.

### RISK MANAGEMENT

- a) oversee the establishment and implementation of risk management systems and ensure there is a mechanism for assessing the efficiency and effectiveness of those systems;
- b) oversee the management of health and safety risk;
- c) oversee the management of physical and transitional climate change risks;
- d) oversee the management of information technology and cyber security risk;
- e) oversee the management of insurance;

- f) assess the overall effectiveness of the risk management framework and consider whether recommendations made by the external auditors have been implemented by the Company's senior financial management;
- g) approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for:
  - i) identifying, assessing, monitoring and managing risk; and
  - ii) disclosing any material change to the risk profile;
- h) regularly review and update the risk register;
- i) endeavour to ensure the risk management system takes into account all material risks, including risks arising from:
  - i) implementing strategies (strategic risk);
  - ii) operations or external events (operational risk);
  - iii) legal and regulatory compliance (legal risk); and
  - iv) changes in community expectation of corporate behaviour (reputation risk).
- j) review risk reports and the adequacy of the response of the Company's senior financial and compliance management to identified breaches;
- k) review all regular reports provided to the Committee by executive management on legal and regulatory compliance.

In addition, the Committee shall examine any other matters referred to it by the Board.

### **6 Authority**

The Committee is authorised by the Board to investigate any activity within its areas of responsibility. It 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.

The Committee is authorised by the Board 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.

### **7 Review of the Committee**

The Committee shall undertake an annual self-review of its objectives and responsibilities. The Committee's objectives and responsibilities shall also be reviewed biennially by the Board, the Chief Executive Officer, the Chief Financial Officer and any other person the Board considers appropriate.

### **8 Reporting Procedures**

The Committee shall maintain direct lines of communication with the external auditors, the Chief Executive Officer, the Chief Financial Officer and with management generally including those responsible for non-financial risk management.

The Chief Executive Officer and the Chief Financial Officer shall be responsible for drawing to the Committee's immediate attention any material matter that relates to the financial condition of the Company, any material breakdown in internal controls, and any event of fraud or malpractice.

After each Committee meeting the Chairman shall report the Committee's findings and recommendations to the Board.

The minutes of all Committee meetings shall be circulated to members of the Board, the Chief Executive Officer, the Chief Financial Officer and to such other persons as the Board directs.

The Committee shall report to the Board annually on the effectiveness of the Company's management of its material business risks.