



CORPORATE
GOVERNANCE
CODE

CONTENTS

1. CORPORATE GOVERNANCE PRINCIPLES
2. ROLE OF THE BOARD
3. COMPOSITION OF THE BOARD
4. ROLE OF THE CHAIR
5. DIRECTOR EMPOWERMENT ASSURANCE
6. DIRECTOR RESPONSIBILITIES
7. CONFLICTS OF INTEREST
8. COMMITTEES OF THE BOARD
9. EXTERNAL AUDIT POLICY
10. REMUNERATION POLICY
11. THE CHIEF EXECUTIVE OFFICER
12. SHAREHOLDER PARTICIPATION
13. REPORTING AND DISCLOSURE
14. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES

APPENDIX A: PROTOCOLS BETWEEN THE MAIN BOARD AND SUBSIDIARY BOARDS

APPENDIX B: AUDIT, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE
CHARTER

Version Control

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TURNERS AUTOMOTIVE GROUP LIMITED - GROUP CORPORATE GOVERNANCE CODE

The board of directors (*Board*) of Turners Automotive Group Limited (*Turners*, or the *Company*) and its wholly owned subsidiaries (together, the *Group*) has on 28 March 2018 adopted the following Corporate Governance Code (*Code*), and subsequently amended it from time to time.

This Code outlines the corporate governance principles and guidelines in place to assist the Board in achieving its objective for the Group and is reviewed annually following the annual meeting.

1. CORPORATE GOVERNANCE PRINCIPLES

1.1 Ethical standards

The Board will set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the Group.

1.2 Board composition and performance

The Board will have a balance of independence, skills, knowledge, experience and perspectives.

1.3 Board committees

The Board will use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

1.4 Reporting and disclosure

The Board demands integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

1.5 Remuneration

The remuneration of directors and executives of the Company will be transparent, fair and reasonable.

1.6 Risk management

The Board will have a sound understanding of the material risks faced by the Company and how to manage them. The Board will regularly verify that the Company has appropriate processes that identify and manage potential and material risks.

1.7 Auditors

The Board will ensure the quality and independence of the external audit process.

1.8 Shareholder rights and relations

The Board will respect the rights of shareholders and foster relationships with shareholders that encourage them to engage with the Company.

2. ROLE OF THE BOARD

2.1 Role of the Board

The Board is responsible for setting the Group's strategic direction, directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles. The Board recognises that the quality with which it performs its functions is an integral part of the performance of the Group and that there is a strong link between good governance and performance.

2.2 Group's Objective

The objective of the Group is to generate growth, corporate profit and shareholder gain.

2.3 Direction of Group

In pursuing this objective the role of the Board is to assume accountability for the success of the Group by taking responsibility for the strategic direction and monitoring of operational management of the Group.

2.4 Main Functions of the Board

The main functions of the Board are to:

- (a) review and approve the strategic, business and financial plans prepared by management and to develop a depth of knowledge of the Group's business so as to understand and question the assumptions upon which such plans are based;
- (b) monitor the Group's performance against its approved strategic, business and financial plans and oversee the Group's operating results on a regular basis so as to evaluate whether the business is being properly managed;
- (c) select and (if necessary) replace the Chief Executive Officer (CEO);
- (d) ensure that the Group has adequate senior management and resources to achieve its objectives and to support the CEO and ensure that a satisfactory plan for management succession is in place;
- (e) review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;
- (f) set delegated authority levels for management and review and approve material transactions not in the ordinary course of the Group's business;
- (g) approve the appointments by, or at the request of, the Company (including its affiliates) to the boards of directors of subsidiary and associate companies;
- (h) ensure ethical behaviour by members of the Group, the Board and senior management, including compliance with each member of the Group's constitution, the relevant laws, NZX Listing Rules (*Listing Rules*) and regulations and the relevant auditing and accounting principles;

- (i) implement and at least annually review the Group's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those directors, managers or other employees who engage in unethical behaviours;
- (j) ensure the quality and independence of the Group's external audit process; and
- (k) assess from time to time its own effectiveness (and that of any committee of the Board) in carrying out these functions and the other responsibilities of the Board. Such assessment may involve engaging external reviewers;
- (l) oversee the development, adoption and communication of a clear strategy for the business;
- (m) adopt, monitor and from time to time review this Code, the risk management framework, remuneration policy, Board committee charters and other corporate governance documents and policies;
- (n) approve, and from time-to-time review, the Group's values statement;
- (o) set the dividend policy;
- (p) ensure the Group's health and safety, environmental practices and culture comply with legal requirements, reflect best practice, and are recognised by employees and contractors as key priorities for the Group; and
- (q) oversee and respond to climate-related risks and opportunities to ensure the long term sustainability of the Group and to reduce its impact on the environment.

2.5 Chief Executive Officer

The Board appoints a CEO who is responsible for the management of the Group in accordance with the strategies approved by the Board.

2.6 Board Relationship with CEO

The Board acknowledges that one of its most important roles is to provide high level counsel to the CEO, to constantly monitor the performance of the CEO against the Board's requirements and expectations and to take timely action if the objectives of the Group are not being achieved or a correction to management plans is required.

2.7 Board of Directors of Subsidiary Companies

This Code outlines protocols between the Board and the subsidiary boards. The protocols which apply to this Code are attached as Appendix A.

3. COMPOSITION OF THE BOARD

3.1 Board Skills

The Board should at all times comprise members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Group.

3.2 Appointments to the Board

Every new appointment to the Board is considered and decided by the Board as a whole, taking into account the range of relevant skills and experience a potential new director may offer the Board and his or her ability to fully commit the time needed to be effective as a director of the Company. A director appointed by the Board must submit himself or herself for re-election by shareholders at the next annual meeting following his or her appointment. Key information will be provided to shareholders to assist their decision-making regarding whether to elect or re-elect a candidate.

3.3 Induction upon appointment

On appointment to the Board, a director will be given a copy of this Code, an appropriate induction to the Company and an appointment letter covering the role of the Board, the Board's expectations of the director and any particular terms of his or her appointment.

3.4 Board Membership

In addition to the requirements under the Listings Rules, the Board has adopted the following guidelines for Board membership:

- (a) the Board shall maintain at least a minimum number of three directors, two of which must be ordinarily resident in New Zealand;
- (b) the majority of the directors will be independent. The Board must identify which directors it has determined, in its view, to be independent directors;
- (c) a Board member should not have any significant conflict of interest that is potentially detrimental to the Group, including:
 - (i) affiliations with competitors of the Group; and
 - (ii) affiliations with parties that are likely to be a regular counter-party to transactions with the Group. In practice, however, such conflicts may arise in the course of a director's tenure and procedures for dealing with these situations are contained in 3.5;
- (d) control rights of shareholders (board representation) should, where possible, be aligned to cash flow rights (share ownership). Therefore, significant shareholders or shareholder groups should be represented on the Board. Nevertheless, the Board will continue to ensure that a majority of the directors will be independent directors;
- (e) the Board seeks diversity in the skills, attributes and experience of its members across a broad range of criteria so as to represent the diversity of shareholders, business activities of the Group and regions in which the Group operates;
- (f) No director shall hold office (without re-election) past the third annual meeting following that director's appointment or 3 years, whichever is longer (noting that directors appointed by the Board must not hold office (without re-election) past the next annual meeting following that director's appointment); and

- (g) the Board elects a Chair (noting that the Chair should be independent and cannot be the same person as the CEO) who can be replaced by it at any time.

3.5 Independence Definition

The Board must assess on at least an annual basis the independence of the directors of the Company. In making this assessment, the Board must consider whether each director has a “Disqualifying Relationship” as defined in the Listing Rules, having regard to the factors described in the NZX Corporate Governance Code. Factors which the Board may take into account when considering whether a director is regarded as having a relationship that may compromise his or her ability to act independently, include:

- (a) is currently, or was within the last three years, employed in an executive role of the Company or any its subsidiaries;
- (b) is currently deriving, or within the last 12 months derived a substantial portion of their income or annual revenue from the Company;
- (c) is currently, or was within the last 12 months, in a senior role in a provider of material professional services (other than an external auditor) to the Company or any its subsidiaries;
- (d) is currently, or was within the last three years, employed by the external auditor to the Company or any its subsidiaries;
- (e) currently has, or did have within the last three years, a material business relationship (e.g. as a supplier or customer) with the Company or any its subsidiaries;
- (f) is a substantial product holder of the Company, or a senior manager of, or person otherwise associated with, a substantial product holder of the Company;
- (g) is currently, or was within the last three years, in a material contractual relationship with the Company or any its subsidiaries, other than as a director;
- (h) has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above; and
- (i) has been a director of the Company for a period of 12 years or more.

3.6 Conflicts

A director must declare to the Board any relationship that might compromise his or her ability to act independently from management or any conflicts of interest that are potentially detrimental to the Group (see 3.3(b)). As soon as reasonably practicable thereafter the Board, or a committee of the Board established for the purpose, will meet to review the relationship or conflict and determine a process to deal with the issue.

3.7 Business Relationships to be Disclosed

Before accepting appointment to the Board, and thereafter as they occur, a director is required to disclose to the Board his or her business relationships that may have a bearing on his or her role

as a director of the Group. A director will discuss any proposed new appointments with the Chair before accepting the role.

3.8 Openness to Review

In considering new appointments to the Board, the Board shall take such steps as may be appropriate to ensure that the Board maintains openness to new ideas and a willingness to critically examine its performance.

3.9 Annual Report

The Company's annual report will include information about each director, including a profile of experience, the length of each director's service, whether or not that director is independent and each director's ownership interests, and director attendance at Board and committee meetings.

4. ROLE OF THE CHAIR

4.1 The Chair

The Board elects a chair of the Board. The Chair's primary responsibility is the efficient functioning of the Board.

4.2 Chair's Responsibilities

The Chair is responsible for co-ordinating the activities of the Board and has the following specific responsibilities:

- (a) conduct meetings of the Board and of shareholders;
- (b) schedule Board meetings, in consultation with the CEO, in a manner that enables the Board and its committees to perform their duties responsibly while not interfering with the flow of the Group's business;
- (c) prepare, in consultation with the CEO, other directors and committee chairs, the agendas for the Board and committee meetings;
- (d) define the quality, quantity and timeliness of the flow of information between management and the Board and to ensure that issues raised, or information requested, by any director are responded to promptly and as fully as possible;
- (e) approve, in consultation with the Board, the retention of consultants who report directly to the Board;
- (f) foster a constructive governance culture and assist the Board and management in assuring compliance with and implementation of this Code and to be principally responsible for recommending revisions thereto;
- (g) promote and maintain the independence of the Board from management;
- (h) to be principally responsible for evaluating the CEO's performance and to meet with the CEO to discuss the Board's requirements and expectations and the evaluation of the CEO's performance by the Board;

- (i) to ensure that rigorous, formal processes for evaluating the performance of the Board, Board Committees and individual directors are in place and lead these processes; and
- (j) to lead an annual work plan that ensures the Board addresses matters for which it is responsible in relation to strategy, performance monitoring, remuneration, executive performance, financial reporting and budgets, capital management and dividends, audit, risk and governance.

4.3 Meetings of the Board

The Chair is responsible for ensuring that Board meetings are sufficiently well-planned and conducted in a manner that ensures the most effective and efficient use of Board time and energy. The Chair takes particular responsibility for leading the Board and setting the tone for the conduct of its meetings and the way in which issues are debated. It is the Chair's responsibility to ensure that adequate minutes of the proceedings of meetings of the Board are taken

Proceedings of all meetings will be in accordance with the Company's constitution and otherwise as determined by the Chair of the Board or the relevant Board committee Chair.

The Chair may require any director or other attendee to leave a meeting at any time.

The Board appoints a Board Secretary who is responsible for co-ordination of all Board business, including the annual work programme, meeting scheduling, agendas, papers, minutes and lodgement of documents with regulatory agencies.

4.4 Relationship with CEO

The Chair is responsible for establishing a close and productive working relationship with the CEO and acting as their mentor.

5. DIRECTOR EMPOWERMENT ASSURANCE

5.1 Empowerment

The Board recognises that the way in which it functions impacts on how well the Board performs its role as steward of the Group. Accordingly, the Board has in place procedures to ensure that the Board meets regularly, conducts its meetings in an efficient and effective manner and that each director is fully empowered to perform his or her duties as a director of the Company and to fully participate in meetings of the Board.

5.2 Meetings without CEO or Management

The Board meets without the CEO at least once a year when the performance, evaluation and remuneration of the CEO and management are reviewed. The Board regularly meets with the CEO in attendance but without other senior management present.

5.3 Attendance at Meetings

Directors are expected to attend all Board meetings, and when this is not possible, directors can join the meeting by means of audio communication. In circumstances where a Board member is unable to attend, apologies must be given to the Chair.

5.4 Convening of Meetings

Board meetings are normally convened by the Chair. There are at least eight Board meetings a year. Any director may request the Chair or the Board Secretary to convene a meeting. Notice of a meeting must be given to all directors in accordance with the Company's constitution.

5.5 Agenda for Meetings

The agenda for normal Board meetings is determined by the Chair. Where a director has requested a meeting, the agenda will be as specified by that director. Board members are encouraged to submit items for inclusion in the agenda. In addition, each Board meeting has a general business item under which directors may raise issues.

The standing items for each full meeting will include:

- (a) approval of minutes of the previous meeting;
- (b) matters arising;
- (c) updating of the register of Directors' interest;
- (d) a report from the CEO, including a health and safety update;
- (e) a report from the Chief Financial Officer;
- (f) specific papers or proposals requiring Board approval as required by the Company's Delegated Authority rules at 8; and
- (g) matters requiring public disclosure.

5.6 Information to Directors

The Board recognises that appropriate information, provided on a timely basis, is essential to the effective discharge of its duties. The Chair and the CEO are responsible for ensuring appropriate Board papers (including any financial reports), that identify and fairly address the key issues concerning the Group, are prepared and distributed to Board members in a format and at a time that allows directors to be fully informed on the affairs of the Group and to properly prepare for discussion at Board meetings.

5.7 Availability of Management

The Chair, in consultation with the CEO, is responsible to ensure the availability of the CEO and management when required by the Board.

5.8 Passing of Resolutions

A resolution of the Board is passed at a Board meeting (or by written resolution signed or assented to, as per the Company's constitution) by the agreement of a majority of the votes cast on it. In the case of an equality of votes the Chair does not have a casting vote.

5.9 Evaluation of Information

The Board evaluates the format of the information it receives at least annually.

5.10 Performance of the Board

The Board establishes and periodically considers its performance criteria against its role and the Board Charter and reviews its performance against those criteria at least annually. The Chair is responsible for ensuring these reviews are conducted.

5.11 Relationship with Management

The Board recognises that all directors should have access to the CEO and senior management. Each director acknowledges that the division of responsibility between Board and management must be respected and will inform the Chair of interactions with senior management. The Board reviews its relationship with management annually.

5.12 Independent Advice

A director may obtain independent advice at the expense of the Group on issues related to the fulfilment of his or her duties as a director, subject to obtaining the approval of the Chair prior to the incurrance of any advisory fees.

5.13 Indemnities by Company

The Company indemnifies a director upon joining the Board to the extent provided in section 162 of the Companies Act 1993 (*the Act*) and it also indemnifies persons who undertake directorships of other companies at the request of the Company.

5.14 Insurance by Group

The Group effects director and officers' liability insurance cover for the benefit of directors and management.

5.15 Remuneration

Directors receive a fee for their services to the Company. The fee pool is approved by shareholders. Reasonable costs associated with attending Board meetings and undertaking Company-related business will be reimbursed. All directors are expected to continuously educate themselves, according to their individual needs, to ensure that they appropriately and effectively perform their duties. The Company may contribute to the costs of director training.

6. DIRECTOR RESPONSIBILITIES

6.1 Directors' Principal Duties

The directors are committed to the proper and responsible fulfilment of their duties to the Company and to the shareholders. In particular, the directors are mindful of their duties

contained in the Act, the Company's constitution and the Listing Rules which include the following:

- (a) a director, when exercising powers or performing duties, must act in good faith and in what the director believes to be the best interests of the Company;
- (b) a director must exercise a power for a proper purpose;
- (c) a director must not act, or agree to a member of the Group acting, in a manner that contravenes the law or the Company's constitution;
- (d) a director must not:
 - (i) agree to the business of the Company being carried on in a manner likely to create a substantial risk of serious loss to the Company's creditors; or
 - (ii) cause or allow the business of the Company to be carried on in a manner likely to create a substantial risk of serious loss to the Company's creditors;
- (e) a director must not agree to the Company incurring an obligation unless the director believes at that time, on reasonable grounds, that the Company will be able to perform the obligation when it is required to do so; and
- (f) a director when exercising powers or performing duties as a director, must exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances taking into account, but without limitation:
 - (i) the nature of the Group;
 - (ii) the nature of the decision; and
 - (iii) the position of the director and the nature of the responsibilities undertaken by him or her.

6.2 Delegation by the Board

The Board may delegate any of its powers (other than certain powers specified in the Act). However, whenever the Board delegates a power, the Board remains responsible for the exercise of the power by the delegate, unless the Board:

- (a) believed on reasonable grounds that the delegate would exercise the power in conformity with the duties imposed on directors by the Act and the Company's constitution; and
- (b) has monitored, by means of reasonable methods properly used, the exercise of the power by the delegate.

6.3 Reliance on Information

A director may rely on information, financial data and professional or expert advice given by any of the following:

- (a) an employee of the Group whom the director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

- (b) a professional advisor or expert in relation to matters which the director believes on reasonable grounds to be within the person's competence; or
- (c) any other director or committee of directors upon which the director did not serve in relation to matters within the director's or committee's delegated authority.

A director may only rely on others, as described above, if the director:

- (i) acts in good faith;
- (ii) makes proper enquiry where the need for enquiry is indicated by the circumstances; and
- (iii) has no knowledge that such reliance is unwarranted.

6.4 Confidentiality of Group Information

A director who has confidential information in his or her capacity as a director must not disclose that information to any person or make use of or act on that information, except:

- (a) for the purposes of the Group;
- (b) as required or permitted by law; and
- (c) in complying with the director's obligation to disclose his or her interest in a transaction with the Group.

6.5 Authorised Disclosure of Information

A director may disclose information to a person whose interests the director represents, and may disclose, make use of, or act on information if:

- (a) particulars of the disclosure, use, or act are entered in the Interests Register (see 7.4);
- (b) the disclosure, use, or act will not be likely to prejudice the Group; and
- (c) the disclosure is permitted under a confidentiality agreement between the Group and the party whose interests the director represents.

6.6 Quoted Financial Products Trading Code of Conduct

The Board of the Group has implemented a formal procedure to handle the trading in the Group's quoted financial products by directors, employees and advisers of the Group. All directors, employees and advisers of the Group must comply with the Quoted Financial Products Trading Code of Conduct.

6.7 Inside Information

If directors, officers, employees, contractors and advisers have inside information on the Group (or another listed issuer) he or she must not trade in, or tip others to trade in, the financial products of the Group (or another listed issuer) and must otherwise comply with both the Quoted Financial Products Trading Code of Conduct and relevant insider trading laws.

6.8 Resigning Director

A director who resigns before the expiry of his or her term will identify to the Board his or her reasons for early retirement.

7. CONFLICTS OF INTEREST

7.1 General Conflicts

A director should not have any significant conflict of interest that is potentially detrimental to the Group, including:

- (a) material affiliations with competitors (or key customers or suppliers of competitors) of the Group; and
- (b) material affiliations with parties that are likely to be a regular counterparty to transactions with the Group,

in either of these events a director should consider their ongoing role on the Board.

7.2 Disclosure of Interest

A director who is interested in a transaction with the Group must immediately disclose to the Board the nature, monetary value and extent of the interest.

7.3 Participation at Meetings

A director who is interested in a transaction with the Group may attend and participate at a Board meeting at which the transaction is discussed. However, such directors are not counted in the quorum and may not vote in respect of the transaction, unless it is one in respect of which directors are expressly required by the Act to sign a certificate.

7.4 Interests Register

The Board maintains an Interests Register in which are entered the required disclosures made by directors in respect of matters relating to the Group as required by the Act. Entries in the Interests Register made during the financial year are disclosed in the next annual report for that financial year.

7.5 Acting at Arms-length

A director who, either directly or indirectly, provides goods or services to the Group or an affiliate of the Group must act on an arms-length basis and not use his or her position as a director to influence commercial decisions by the Group or the affiliate.

8. COMMITTEES OF THE BOARD

8.1 Purpose of Committees

The use of committees allows issues requiring detailed consideration to be dealt with separately by members of the Board with specialist knowledge and experience, thereby enhancing the

efficiency and effectiveness of the Board. However, the Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

8.2 Exclusive Board Matters

Issues relating to appointments to the Board and the Group's strategy, business and financial plans, expenditure outside delegated authority levels and CEO performance are dealt with directly by the Board.

8.3 Committees of the Board

The Board has constituted two standing committees being the Audit, Risk Management and Sustainability Committee and the Lending and Credit Committee. From time to time the Board may constitute an ad hoc committee to deal with a particular issue facing it which requires specialist knowledge and experience.

8.4 Composition of Committees

Each standing committee comprises at least two directors (see 8.12 for Composition of Audit, Risk Management and Sustainability Committee). The CEO may not be a member of the Audit, Risk Management and Sustainability Committee. Only directors may be members of a committee, and the alternate of a director may take the place of that director, where required.

8.5 Chair of Committees

Each standing committee must be chaired by a director, other than the Chair of the Board.

8.6 Attendance at Meetings

All directors have the right to attend any meeting of a committee. In order to be fully informed on the matters for consideration, a committee member may require the attendance of any of the CEO, management, the Group's auditors and advisers. Attendance at Committee meetings will be recorded in the annual report.

8.7 Review of Committees by Board

The Board will review the composition of the Audit, Risk Management and Sustainability Committee and the Lending and Credit Committee following the annual meeting of the Company and in accordance with their charters.

8.8 Publication of Committee Members

The Board will identify the members of the Audit, Risk Management and Sustainability Committee and the Lending and Credit Committee in the Group's annual report. The relevant qualifications and experience of the Audit, Risk Management and Sustainability Committee members will be further disclosed in the Group's annual report.

8.9 Audit, Risk Management and Sustainability Committee Charter

The Audit, Risk Management and Sustainability Committee shall produce a written charter that outlines the Audit, Risk Management and Sustainability Committee's delegated authority, duties

responsibilities and relationship with the Board. The Audit, Risk Management and Sustainability Committee charter shall be readily available to shareholders. The Audit, Risk Management and Sustainability Committee charter is set out as Appendix B.

8.10 Audit, Risk Management and Sustainability Committee Duties and Responsibilities

The Audit, Risk Management and Sustainability Committee is responsible for the functions as listed in the Duties and Responsibilities section of the Audit, Risk Management and Sustainability Committee Charter (refer Appendix B).

8.11 Audit, Risk Management and Sustainability Committee Procedure

In carrying out their responsibilities, the Audit, Risk Management and Sustainability Committee will:

- (a) meet at least once a year with the auditors and without the CEO or management being present;
- (b) convene a meeting if the auditors so request; and
- (c) communicate the outcome of the meeting to the Chair as soon as practicable after the meeting.

8.12 Composition of the Audit, Risk Management and Sustainability Committee

The Audit, Risk Management and Sustainability Committee shall comprise all non-executive directors (with an overall minimum of three directors), a majority of whom are independent directors and at least one director with an accounting or financial background.

The Audit, Risk Management and Sustainability Committee must have a chair who is an independent director and who is not the Chair of the Board. The chair should not have a long-standing association with the audit firm retained as a current, or retired, audit partner or senior manager at the firm.

8.13 Minutes

Minutes of the proceedings of every committee meeting shall be taken and circulated to each member of the Board.

9. EXTERNAL AUDIT POLICY

9.1 Appointment of Auditor

The auditor of the Group shall be appointed on professional merit.

9.2 Independence of Auditor

The Audit, Risk Management and Sustainability Committee and Board should be satisfied prior to the appointment of the Group's auditor that there is no relationship between the proposed auditor and the Group or any related person that could compromise the independence of the auditor, and have received written confirmation to that effect from the auditor.

9.3 External Audit Not To Be Impaired

The Board recognises the importance of and shall facilitate full and frank communication among the Audit, Risk Management and Sustainability Committee, the auditor and management so as to ensure the ability of the external auditor to perform its statutory audit role is not impaired or could reasonably be perceived to be impaired.

9.4 Rotation of Audit Lead

The auditor's lead and engagement audit partners should be rotated after a maximum of five years such that no such persons shall be engaged in an audit of the Group for more than five consecutive years.

9.5 Report on Audit Fees

The Board shall annually report to shareholders and stakeholders on the amount of fees paid to the auditor for both audit and non-audit work and shall separately identify fees paid for each category of non-audit work.

9.6 Report on Non-Audit Work

The Board shall state in the annual report what non-audit work (if any) was undertaken by the auditor.

9.7 Annual Meeting

The external auditor shall attend the annual meeting to answer questions from investors relevant to the audit.

9.8 Audit, Risk Management and Sustainability Committee to have oversight

The Audit, Risk Management and Sustainability Committee will be responsible for monitoring any service provided by the external auditor other than its statutory audit role.

9.9 Services provided by External Auditor

The following services are classified into three categories; services that are permitted. Services that are permitted and may require prior approval from the Audit, Risk Management and Sustainability Committee and services that are not permitted.

Service	Permitted	Permitted and requires pre-approval	Not permitted
Statutory Audits Audit of the Group and subsidiary financial statements	✓		

Service	Permitted	Permitted and requires pre-approval	Not permitted
<p>Review engagements</p> <p>Negative assurance in relation to financial statements and any other review engagements</p>	✓		
<p>Accounting advice</p> <p>General advice regarding accounting treatments</p>	✓		
<p>Other attest services</p> <p>Provision of opinions (other than audit or review) with respect to financial or non-financial information</p> <p>Reporting engagements to third parties (eg. Prospectus reports).</p> <p>Providing independent assurance to the Board with respect to a valuation</p>	✓		
<p>Taxation Services</p> <p>Assistance and advice with respect to the preparation and review of the returns of income and other taxes in NZ and overseas jurisdictions.</p> <p>Assistance with IRD queries, requests for information, investigations and audits</p>	✓		
<p>Systems Assurance</p> <p>Assurance provided over data migration, processed and controls for existing or new systems implemented</p>	✓		
<p>Forensic accounting/suspicious transaction analysis</p> <p>The provision of forensic accounting and IT services supporting fraud or related investigation activities.</p>	✓		
<p>Extended Audit Assurance Services</p> <p>The provision of any assurance services that have been outsourced by Turners that relates to Turners internal accounting controls, financial systems or financial statements</p>	✓		

Service	Permitted	Permitted and requires pre-approval	Not permitted
Due Diligence-Buyside Provision of due diligence services for a business Turners are seeking to acquire I (where the vendor has appointed the auditor to complete vendor due diligence)	✓		
Vendor Due Diligence-Sellside Provision of due diligence services for Turners on a business Turners are looking to sell (where another party will rely on the auditor's report)		✓	
Advisory services M & A-Sellside Assisting Turners as an advisor to sell a business		✓	
Secondments Supplementation of Turners resource to achieve project outcomes		✓	
Expert witness Acting as an expert witness to support litigation		✓	
Staff hiring Hiring by Turners- a formal partner, principal or professional employee of the External Auditor (manager or above) Hiring by the External Auditor-a current or former officer, director or employee of the Group		✓	
Internal audit assurance Internal audit resource provided (eg. Risk management, specialist treasury or IT resource) under the direct		✓	
Advisory services M & A-Buyside Assisting Turners as an advisor to acquire a business			✗

Service	Permitted	Permitted and requires pre-approval	Not permitted
<p>Bookkeeping or other services related to the accounting records or financial services</p> <p>Maintaining or preparation of Turners accounting records. Preparing or originating source data underlying Turners financial statements.</p>			x
<p>Financial information systems design and implementation</p> <p>Directly or indirectly operating or supervising the operation of Turners information systems or managing Turners local area network. Designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to Turners financial statements or other financial information systems as a whole.</p>			x
<p>Valuation</p> <p>The preparation of valuations of assets and liabilities recognised directly in the financial statements</p>			x
<p>Actuarial services</p> <p>Any actuarially-oriented advisory service involving the determination of amounts recorded in the financial statements and related accounts other than assisting in understanding the methods, models, assumptions and inputs used in computing an amount</p>			x
<p>Human Resource services</p> <p>Searching for or seeking out prospective candidates for managerial, executive or director positions. Engaging in formal testing or evaluation programmes. Undertaking reference checks of prospective candidates for an executive or director position. Acting as a negotiator on Turners' behalf.</p>			x

Service	Permitted	Permitted and requires pre-approval	Not permitted
<p>Legal services</p> <p>The provision of any service to Turners by the audit firm that could be only provided by someone licensed, admitted or otherwise qualified to practice law in the jurisdiction in which the service is provided.</p>			x

10. REMUNERATION POLICY

10.1 Alignment of Interests with Shareholders

The Board promotes the alignment of the interests of the directors, the CEO and management with the long term interests of shareholders.

10.2 Review Process

The Board shall annually review and recommend changes to remuneration structure and policy within the Group. The Board shall annually review the remuneration packages of the CEO and executive, and shall review the remuneration packages of directors at least every second year.

10.3 External Advisers

In reviewing the remuneration proposed for directors, the CEO and the executive, the Board may seek external advice from a recognised and competent source, including an evaluation against comparable peers.

10.4 Remuneration Levels

The Board has a policy that executives, executive directors and non-executive directors should receive remuneration that is fair and reasonable in a competitive market for the skills, knowledge and experience required by the Group.

10.5 Executive Remuneration

The Board recognises that it is desirable that executive remuneration should include an element dependent upon the performance of both the Group and the individual, and should be clearly differentiated from director remuneration. An overview of remuneration for executives generally, including short term incentives and long term incentives, will be reported in the annual report.

10.6 Retiring Director Remuneration

No special remuneration will be paid to a retiring director without the authority of an ordinary resolution of shareholders.

10.7 Annual Report

Directors and the CEO's remuneration will be disclosed in each annual report.

11. THE CHIEF EXECUTIVE OFFICER

11.1 Responsibilities of CEO

The CEO is the senior executive of the Group and is responsible for:

- (a) formulating the vision for the Group;
- (b) recommending policy and the strategic direction of the Group for approval by the Board;
- (c) providing management of the day to day operations of the Group; and
- (d) acting as the spokesperson of the Group.

11.2 No Appointment as Chair

The CEO is not eligible to be appointed as the Chair. The Chair is not eligible to be appointed as CEO.

11.3 Independence of the Board

The CEO undertakes to respect the independence of directors so as to permit the Board to challenge management decisions objectively and evaluate corporate performance.

11.4 Other Boards

The CEO will not accept appointment to the board of other companies except for family companies and/or directorships undertaken at the request of the Group where the Group has a significant interest, except with the consent of the Board.

12. SHAREHOLDER PARTICIPATION

12.1 Constitution

The rights of shareholders are contained, or referred to, in the Company's constitution (which is available to all shareholders), in the Act and the Listing Rules.

12.2 Board Accountable to Shareholders

The Board is appointed by, and accountable to, shareholders.

12.3 Reports to Shareholders

The Board values the opportunity to give comprehensive yet accessible interim and full year reports to shareholders and to meet with them annually.

12.4 Annual Meeting

The Board recognises that the annual meeting is an important forum at which shareholders can meet with the Board and it encourages shareholders to use the forum to ask questions and make

comments on the performance of the Group. To facilitate maximum shareholder attendance and participation at annual meetings the Board's preference is to hold hybrid meetings (physical and virtual), but in some circumstances it may be appropriate for physical-only or virtual-only meetings to be held.

12.5 Directors' Attendance

In usual circumstances, all directors will attend the annual meeting.

12.6 Notice of Meeting

The Board will endeavour to release all notices of meeting at least 20 business days prior to the date of the meeting, where practical.

12.7 Questions from Shareholders

The Board welcomes input from shareholders and encourages shareholders to submit questions in writing prior to the annual meeting so that an informed answer can be given at the meeting. The Board will ensure that the Group's external auditors are available for questioning by shareholders at the annual meeting.

12.8 Questions not fully Answered

Questions which are not fully answered at a meeting will be replied to in writing as soon as practicable after the meeting subject to the Group's confidentiality obligations to third parties.

12.9 Group website

The Board recognises that maintaining an up-to-date website is an important way in which shareholders can readily access key information (including annual reports) about the Group.

13. REPORTING AND DISCLOSURE

13.1 Annual Report

In addition to all information required by law, the Board acknowledges that the Company's annual report should include sufficient meaningful information to enable shareholders and stakeholders to be well informed on the affairs of the Group including all information recommended for disclosure in the NZX Corporate Governance Code.

13.2 Compliance and Continuous Disclosure

The Group Financial Controller shall be responsible for the Group's compliance with statutory disclosure requirements. The Board shall be responsible for the Company's compliance with NZX continuous disclosure requirements. The Board shall be advised of, and consider, continuous disclosure issues at each Board meeting.

13.3 Code of Ethics

The Group's Code of Ethics should be published and available to all directors, staff and shareholders. The Code of Ethics is a separate document to this Corporate Governance Code.

13.4 Implement and Review Code of Ethics

The Board shall have a system to implement and review the Group's Code of Ethics. The Board shall monitor adherence to the Code of Ethics and hold directors and staff accountable for acting ethically at all times.

13.5 TAKEOVER RESPONSE POLICY

The Board is well prepared in the event of a takeover. If the Company receives a takeover notice or any director becomes aware that a takeover notice or scheme of arrangement proposal is imminent:

- (a) all directors, the CEO, CFO and Company Secretary should be advised immediately in confidence;
- (b) the Company shall promptly release to NZX and ASX an appropriate announcement reflecting the circumstances. The Board will consider seeking a trading halt if considered necessary to ensure an orderly market pending release of an announcement;
- (c) if the Board considers it desirable, it may establish a sub-committee comprised of non-interested directors which will have authority to make binding decisions in respect of the process, including but not limited to:
 - (i) retaining legal and financial advisers;
 - (ii) appointing an independent adviser for the purposes of the Takeovers Code; and
 - (iii) approving any announcements or communications relating to the potential transaction.

If the Board does not establish a sub-committee, the Board will be responsible for all matters relating to the Company's response to the potential transaction.

- (d) the Board will comply with all legal and regulatory obligations including the Listing Rules, the Act, the Financial Markets Conduct Act 2013 and the Takeovers Code;
- (e) the Company and each director will keep a record of all expenses incurred in response to a takeover bid, to enable the Company to seek recovery from the offeror under section 49 of the Takeovers Act 1993.
- (f) The Board will remain committed to obtaining the maximum value for shareholders through consideration of credible alternatives;
- (g) The Board will engage in full communication with all shareholders with updated information provided as soon as practical and in accordance with the Company's Continuous Disclosure Policy.

14. ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

14.1 Purpose

The Board recognises the importance of non-financial disclosure, and will report at least annually on the Company's progress against exposure to environmental, social, governance (ESG) and other key risks having regard to the Group's circumstances and portfolio of businesses.

Given the Company's size, the Board has elected not to adopt a formal ESG framework against which to report, and will instead only report through its annual report on key matters (as broadly set out below at 14.2 to 14.4) which it determines are most material to the Group and its performance.

14.2 Environmental responsibility

The Company will use its resources responsibly and will, whilst aiming for long term financial stability, look for opportunities to reduce any negative environmental and sustainability risk or impact from its operations, products and services.

14.3 Social responsibility

The Company is committed to promoting sustainable consumption and production patterns, providing fair and responsible products and services that meet the needs of customers and adheres to the Responsible Lending Code, the Responsible Credit-Related Insurance Code, Insurance (Prudential Supervision) Act 2010 and various other laws that apply from time to time.

The Group and Board will encourage diversity and will not knowingly participate in business situations where we could be complicit in human rights and labour standard abuses.

14.4 Governance Responsibility

The Company will conduct its business ethically and honestly by meeting all regulatory requirements in the jurisdictions that the Group operates in, working against bribery, corruption, anti-money laundering, financing of terrorism and other financial crimes, and will adhere to the highest standards of corporate governance and integrity.

14.5 Climate-Related Disclosures

As part of its non-financial disclosure obligations, the Group is required to create, keep and maintain climate-related disclosure (CRD) records under Part 7A of the Financial Markets Conduct Act 2013 (FMCA) and the Financial Markets Conduct Regulations 2014 (FMCR).

Having these records will ensure the Group is able to provide evidence that its CRD complies with Part 7A of the FMCA and with the Aotearoa New Zealand Climate Standards.

Proper records will also help the Group and its directors demonstrate compliance with their legislative duties and obligations.

The Group will have consideration to the principles and considerations for keeping proper records:

- (a) CRD records must be readily identifiable and comprehensible (Reg 252A)
- (b) CRD records must be kept in English or te reo Māori (Reg 252B)
- (c) CRD records must be made available in accordance with request (Reg 252C)

CRD records must be maintained for at least 7 years.

CRD records may be requested by the Financial Markets Authority and by directors of the Group. In order to ensure its CRD records are “readily identifiable and comprehensible”, the Group must ensure that:

- (a) it keeps its CRD records in a way that ensures they can be identified and made available for inspection within 5 working days, unless the Group agrees a longer period with the person requesting the records (Reg 252C(1)); and
- (b) it keeps its CRD records in a way that “reasonably enables a person inspecting the records” to ascertain whether the records comply with s 461V of the FMCA, i.e. that they allow the Group to ensure it has complied with the Aotearoa New Zealand Climate Standards and the FMCA.

To ensure the Group meets its obligations for record keeping it will ensure it:

- (a) develops and maintains a climate reporting process that includes processes and controls to produce and retain records to substantiate both the information disclosed in the CRD, and that the CRD complies with Aotearoa New Zealand Climate Standards; and
- (b) considers the information that is required to comply with the Aotearoa New Zealand Climate Standards, where to get that information, how to analyse it, and how to collect and store it, to ensure Scales has an effective process for preparing CRD.

The Group will comply with any further relevant sustainability legislation as it comes into force.

14.6 Review

This policy will be reviewed formally annually by the Board and the Board may further review this policy as appropriate

APPENDIX A: PROTOCOLS BETWEEN THE MAIN BOARD AND SUBSIDIARY BOARDS

To ensure the Group works toward the common goal of enhancing shareholder value the following protocols have been agreed between the Board of Directors of Turners Automotive Group Limited ('Main Board') and the Board of Directors of Subsidiary Companies ('Subsidiary Boards') (For a list of subsidiary companies refer to Schedule A).

These protocols apply to Subsidiary Boards whether they are exercising powers as directors of a Subsidiary, or exercising powers as a shareholder of a Subsidiary.

The Subsidiary Boards will not and will not seek to, without the prior consent of the Main Board:

- (a) **Negative Pledge:** create, allow to be created, or permit to exist any security interest over the whole or any part of the subsidiary's assets;
- (b) **Disposal:** whether by a single transaction, or a number of related or unrelated transactions and whether at the same time or over a period of time, dispose of any asset other than that the Subsidiary Board may:
 - (i) **Inventory:** dispose of any inventory in the ordinary course of, and for the purpose of carrying on, the subsidiary's ordinary business and on arm's-length commercial terms;
 - (ii) **Money:** part with money in the ordinary course of, and for the purpose of carrying on, the subsidiary's ordinary business and on arm's-length commercial terms in accordance with the Group's core business;
 - (iii) **Assets:** renew or replace any of the subsidiary's assets (other than any motor vehicle or aircraft) with other assets comparable as to type, value and quality, on the condition that, the Subsidiary does not create, allow to be created or permit to exist any purchase money security interest in any such equipment;
 - (iv) **Chattel Paper, Accounts Receivable and Other Monetary Obligations:** collect in and realise any chattel paper, accounts receivable and other monetary obligations owing to the Subsidiary;
 - (v) **Obsolete Assets:** dispose on arm's-length commercial terms of obsolete or surplus assets which are not required for the efficient operation of the business of the Group;
 - (vi) **Borrowed Money:** apply the proceeds of money borrowed or raised for the purposes for which it was borrowed or raised; and
 - (vii) **Intra-Guaranteeing Group:** dispose of any assets to another Subsidiary; and
- (c) **Make Loans etc.:** make any loans, advances or other financial accommodation to, provide any financial assistance to, guarantee the liabilities of, or repay in whole or in part or otherwise assume any indebtedness of any person other than:
 - (i) to any Subsidiary; or
 - (ii) in the ordinary course of the Group's core business on arm's-length commercial terms;
- (d) **Indebtedness:** incur any financial indebtedness other than in the ordinary course of business;

- (e) **Transactions with Related Persons:**
 - (i) dispose of any assets or provide any services to, or purchase any assets or accept any services from, or enter into any other transaction with, or for the benefit of, a related person other than a bona fide transaction for fair value on arms-length commercial terms;
 - (ii) make any loan or provide any other financial accommodation to any related person; or
 - (iii) enter into any guarantee in respect of an obligation of a related person;
- (f) **Change of Business:** whether at any one time or over a period of time, make any material change in the nature or scope of its business as presently conducted;
- (g) **Lending/Insurance Policy:** make any material adverse change to the lending policy or the insurance policy other than as required by any applicable laws (including, without limitation, any prudential guidelines or other binding or mandatory rules or regulations published by any governmental agency);
- (h) **Distributions:** pay or make, or allow to be paid or made, any distribution other than to another Subsidiary;
- (i) **Shares:**
 - (i) acquire its own shares (unless it is required to do so by law), issue shares redeemable at the option of the holder of the shares or on a specified date, or exercise any option to redeem its shares;
 - (ii) alter, or allow to be altered, any term attaching to, or acquire or redeem, any of its own shares in a manner which would cancel or reduce the liability of any shareholder in relation to a share held in the Subsidiary prior to that alteration, acquisition or redemption (or consent to, or enter into, any arrangement which would have that effect); or
 - (iii) allow any of its assets to be applied directly or indirectly in connection with any of the foregoing;
- (j) **Uncalled Capital:** pass any resolution that any of its capital that has not been called up is not to be capable of being called up or become party to any agreement under which the liability of any of its shareholders in respect of any unpaid capital is released or reduced or any of its funds or property are applied or used in reduction of the shareholders' liability in respect of unpaid capital;
- (k) **Call Up Capital:** call up or allow to be called up or paid or receive in advance of calls any uncalled or unpaid capital, nor apply the same when paid to any purpose other than in or towards payment of the outstanding moneys;
- (l) **Change in Constitution:** make any change in its constitutive documents, other than a technical or administrative change;
- (m) **Change Place of Incorporation:** change its jurisdiction of incorporation or place of domicile for taxation purposes or move its principal place of business outside New Zealand;
- (n) **Amalgamation:** enter into any amalgamation, consolidation, merger, demerger, reconstruction or make any proposal to do any such things with any other company other than another

Subsidiary (other than a solvent reconstruction, merger, consolidation or voluntary liquidation previously approved in writing by the Main Board);

(o) **Material Contracts:**

- (i) terminate, amend, alter, vary, or agree to terminate, amend, alter or vary, or permit or enter into negotiations for the termination, alteration or variation of, any:
 - (A) material contract; or
 - (B) loan finance document, except where such act is in the ordinary course of business in accordance with the lending policy; or
- (ii) agree to any sub-contract of any material contract;
- (iii) assign or agree to any assignment of any right, obligation or property under any:
 - (A) material contract; or
 - (B) loan finance document, except in relation to the security; or
 - (C) waive or release any obligation of any other party to a:
 - (D) material contract; or
 - (E) loan finance document, except where such waiver or release is in the ordinary course of business in accordance with the lending policy.

(p) **Major Transaction:** enter into any major transaction (within the meaning of section 129 of the Companies Act 1993, and as if "company" includes any entity); or

(q) **Derivative Products:** become a party to any derivative product where that obligation has been entered into by it other than exclusively for hedging (and not for speculative) purposes.

Where permitted to do so by the relevant Subsidiary constitution, and where not prohibited by law, directors of a Subsidiary Board may, when exercising powers or performing duties as a director, act in a manner which he or she believes is in the best interests of the Subsidiary's holding company (Turners Automotive Group Limited) even though it may not be in the best interests of the Subsidiary.

Schedule A

SUBSIDIARY COMPANIES AS AT MARCH 2024

EC Credit Control (NZ) Limited
Estate Management Services Limited
Payment Management Services Limited
EC Credit Control (Aust) Pty Limited
Oxford Finance Limited
DPL Insurance Limited
Turners Group NZ Limited
Turners Finance Limited
Turners Fleet Limited
Turners Property Holdings Limited
Turners Staff Share Plan Trustees Limited
Carly NZ Limited

APPENDIX B: AUDIT, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE CHARTER

1 Constitution

The Audit, Risk Management and Sustainability Committee (*Committee*) shall be a committee of the Board of Turners Automotive Group Limited (*Turners*). The Committee will have oversight of matters relating to Turners and its wholly owned subsidiaries (together, the *Group*).

2 Purpose

The purpose of the Committee is to:

- oversee the financial reporting process to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control;
- provide the Board with an independent assessment of the Company's financial position and accounting affairs; and
- keep under review the effectiveness of the Company's procedures for the identification, assessment and reporting of material risks (including sustainability and climate-related risks).

Broadly, the Committee is to, among other things:

- assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to oversight of:
 - the integrity of external financial reporting;
 - the application of accounting policies;
 - financial management;
 - internal control systems;
 - the risk management framework and monitoring compliance with that framework;
 - related party transactions;
 - protection of the Group's assets; and
 - compliance with applicable laws, regulations, standards and best practice guidelines as they relate to financial disclosure;

The Committee shall further:

- regularly report to the Board on the operation of the Group's risk management and internal control processes and assess the Group's risk culture;
- have unrestricted access to the internal and external auditors;
- provide sufficient information to the Board to allow the Board to report annually to shareholders and stakeholders on risk identification and management procedures and relevant internal controls of the Group; and
- attend to any other matter put to the Committee for consideration by the Board.

3 Duties and Responsibilities

The Committee does not take actions or make decisions on behalf of the Board unless specifically mandated. The Board has delegated certain functions to the Committee which is responsible for, among other things:

3.1 External Audit

- (a) monitoring all aspects of the external audit of the Group's affairs including:
 - (i) ensuring compliance with the Company's External Audit Policy and industry professional standards and ethical guidelines including receiving annual confirmation from the auditor of their independence in the previous 12 months;
 - (ii) considering the appointment of the auditor, the audit fee and any issues on their resignation or dismissal;
 - (iii) Chair to meet and discuss with the auditor (other members may attend this meeting), before the commencement of each audit, the nature and scope of their audit ;
 - (iv) reviewing the auditor's service delivery plan;
 - (v) reviewing the management report prepared by external audit, including the significant findings and management's responses;
 - (vi) approving the Group's letter of representation to the auditor; and
 - (vii) discussing with the auditor any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board;
- (b) overseeing the rotation of the Group's Key Audit Partner (as that term is defined in the NZX Listing Rules) at least every five years with a mandatory two year stand down period to be completed before that partner's next engagement with the Group. Regular rotation of the audit firm is not required;
- (c) considering the engagement of the external auditor for non-audit work services (in accordance with the framework in Turners' Corporate Governance Code) and to monitor the performance of such services including:
 - (i) approving any non-audit work assignments that fall outside those that are permitted, and that are not non-permissible, under the External Audit Policy including:
 - (ii) approving any fees for non-audit services provided by the external auditor where the fees for those services will exceed the fees for core audit services;
 - (iii) ensuring that the fees for any non-audit work provided by the external auditor is reported at every Board meeting;
- (d) meeting at least once each year with the external auditors without the CEO or management being present; and
- (e) providing an open avenue for communication between the Group's finance team, the external auditor and the Board, notwithstanding that the external auditor shall have direct access to the Board on any matter if required;

3.2 Internal Audit

- (f) monitoring all aspects of the internal audit function including:
 - (i) considering and approve the appointment, termination, dismissal or replacement of the internal auditor;
 - (ii) reviewing and assess the performance and objectivity of the internal audit function of the Company including the resourcing, budget and staffing, any outsourcing arrangements, independence and authority of its reporting obligations;
 - (iii) reviewing the scope and adequacy of the internal audit plans, review and approve any planned changes during the year, and oversee the coordination of the plans with the external auditors;
 - (iv) meeting at least once each year with the internal auditor without the managing director or management being present;
 - (v) receiving and considering on a regular basis a summary of findings from completed internal audits and a progress report on the internal audit plan, with explanations for any deviations from the original plan;

3.3 Financial Reporting

- (g) reviewing the half year and annual financial statements, and any other financial statements to be released by the Group, before submission to the Board, focusing particularly on:
 - (viii) any change in accounting policies and practices;
 - (ix) major judgmental areas;
 - (x) significant adjustments;
 - (xi) the solvency of the Group;
 - (xii) the going concern assumption;
 - (xiii) compliance with accounting standards;
 - (xiv) compliance with applicable laws, NZX Listing Rules and other regulatory requirements; and
 - (xv) alignment of the financial disclosures with the Group's ESG and sustainability strategy;
- (h) reviewing any non-routine statements of a financial or business performance nature to be issued by the Group, including announcements to NZX Limited (NZX) concerning financial guidance or results;
- (i) promoting integrity in all aspects of the Group's financial reporting and putting in place arrangements for employees to confidentially raise concerns about possible improprieties;
- (j) assessing the continuing quality, credibility and objectivity of the accounting process (including financial reporting);

3.4 Risk Management

- (k) reviewing the effectiveness of the Group's procedures for the identification, assessment and reporting of material risks;
- (l) regularly reviewing the Group's internal controls and systems;
- (m) considering the findings of any internal investigations relating to the Committee's responsibilities and management's responses thereto;
- (n) monitoring compliance by the Group with its Constitution, applicable laws and regulations and stock exchange requirements;
- (o) establishing and regularly reviewing a procedure to identify other situations or circumstances in which the Group may be materially at risk and initiating appropriate action through the Board or the CEO;

3.5 Climate Related Risks and Reporting

- (p) monitoring sustainability and climate-related risks and ensuring these are integrated into the Group's Environmental, Social and Governance principles;
- (q) monitoring the Group's compliance with relevant legislation and other regulatory requirements related to climate-related risks and opportunities, climate-related disclosures (CRD) and CRD approval;
- (r) ensuring that the CRD is properly prepared and that proper CRD records are maintained; and
- (s) reviewing the CRD to be released by the Group prior to submission to the Board;

3.6 General

- (t) monitoring and regularly reviewing the authorities, delegations and procedures under which the Company may be committed;
- (u) providing a formal forum for communication between the Board and senior financial management;
- (v) identifying and directing any special projects or investigations it deems necessary in accordance with achieving the Committees objectives;
- (w) reporting Committee actions to the Board with such recommendations as the Committee may deem appropriate;
- (x) regularly reviewing and updating this Charter as the Committee deems appropriate.

4 Membership

Members of the Committee must have a minimum of 3 members. The members shall be all non-executive directors, appointed by the Board and shall comprise a majority of independent directors and at least one director with an accounting or financial background.

The Board shall appoint a Chair from among the members of the Committee. The Chair cannot be the Chair of the Board, and will be an independent director.

The Committee will be structured to ensure that, as a collective group, it has the skills, experience and knowledge to fulfil its role and responsibilities. The Committee may, from time to

time, co-opt external experts if the Committee believes this would assist the Committee to discharge its responsibilities.

The Board shall appoint a Chair from among the members of the Committee. The Chair of the Committee must not have a long-standing association with the Group's external audit firm as a current, or retired, audit partner or senior manager at the firm. The Chair of the Committee will generally be perceived to be independent for these purposes if there has been a period of at least three years between previously being employed by the external audit firm and serving as Chair of the Committee.

The appointment and removal of the Committee members shall be the responsibility of the Board.

The Group shall identify the members of the Committee and their relevant qualifications and experience each year in its annual report as well as record their meeting attendances.

5 Secretarial and Meetings

The secretary of the Committee shall be appointed by the Board. The secretary is responsible, in conjunction with the Committee Chair, for co-ordination of all Committee business including an annual work programme, meeting scheduling, agendas, papers, minutes, Charter and policy reviews and communication with the Board and auditors.

A quorum of members of the Committee shall be a majority of members.

The Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.

All non-executive directors who are not members of the Committee shall be entitled to attend meetings of the Committee by standing invitation. Employees (including executive directors) shall only be entitled to attend meetings of the Committee at the invitation of the Committee.

Any person may be asked to leave the meeting at the Chair's discretion.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and all other members of the Board.

At least once per year the Committee shall meet without the CEO or management being present.

Any member of the Committee may request a meeting at any time if they consider it necessary.

The Committee will convene a meeting if the auditor so requests.

Proceedings of all meetings will be in accordance with the Company's constitution and otherwise as determined by the Chair of the Committee.

Minutes of all meetings shall be kept. Minutes of all meetings will be circulated to all directors and to the auditor, for meetings that the auditor has called, within 30 days of each meeting.

6 Authorities

The Committee will make recommendations to the Board on all matters within its responsibilities under this Charter which require the Board's decision. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The Committee is authorised by the Board, at the Group's expense, to obtain such outside legal or other independent information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities

7 Review of the Committee

The Committee will undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed (as against the Committee Charter) by the Board and any other person the Board considers appropriate.

8 Reporting Procedures

As soon as practicable after each Committee meeting the Committee will communicate its findings and recommendations to the Chair of the Board.

The full minutes of all Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

9 Accountability to the Board

This Charter has been approved by the Committee and the Board. The Committee reviews the Charter annually and recommends any proposed changes to the Board for approval.