

**METRO PERFORMANCE GLASS LIMITED**  
**(Metroglass)**

**Audit and Risk Committee Charter**

The Audit and Risk Committee shall be a committee of the board of Metroglass (the **Board**).

**1. Purpose**

The purpose of the Audit and Risk Committee is to:

- (a) assist the Board in fulfilling its responsibilities for Metroglass' financial statements and external financial reporting;
- (b) assist the Board in ensuring that the ability and independence of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;
- (c) assist the Board in ensuring appropriate accounting policies and internal controls are established and maintained;
- (d) assist the Board in ensuring the effective and efficient management of all business risks.

**2. Duties and Responsibilities**

The Audit and Risk Committee does not take actions or make decisions on behalf of the Board. The Board has delegated certain functions to the Audit and Risk Committee which is responsible for:

- (a) monitoring all aspects of the external audit of Metroglass' affairs including:
  - (i) considering the appointment of the auditors, the audit fee and any issues on their performance, resignation or dismissal;
  - (ii) discussing with the auditors, before the commencement of each audit, the nature and scope of their audit;
  - (iii) reviewing the auditors service delivery plan;
  - (iv) reviewing Metroglass' letter of representation to the auditors; and
  - (v) discussing with the auditors any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board;
- (b) reviewing the half year and annual financial statements, and any other financial statements to be released by Metroglass, before submission to the Board, focusing particularly on:
  - (i) any change in accounting policies and practices;
  - (ii) major judgmental areas;
  - (iii) significant adjustments;
  - (iv) the solvency of Metroglass;
  - (v) the going concern assumption;

- (vi) compliance with accounting standards; and
- (vii) compliance with legal, stock exchange and other regulatory requirements;
- (c) reviewing any non-routine statements to be issued by Metroglass, including announcements to NZX and ASX concerning results;
- (d) recommending internal audit assignments;
- (e) regularly reviewing Metroglass' internal controls and systems and treasury management policies and practices;
- (f) in conjunction with the Board, monitoring and regularly reviewing Metroglass' delegated authorities;
- (g) considering the findings of any internal investigations and management's response thereto;
- (h) monitoring compliance by Metroglass with its constitution, applicable laws and regulations and stock exchange requirements;
- (i) promoting and reviewing the integrity of Metroglass' financial reporting;
- (j) establishing and regularly reviewing a procedure to identify other situations or circumstances in which Metroglass may be materially at risk and initiating appropriate action through the Board or the managing director;
- (k) overseeing the independence of the external auditors and addressing issues of auditor independence;
- (l) creating, managing and monitoring processes so the Board is properly and regularly informed and updated on corporate finance matters;
- (m) recommending the appointment and removal of the independent auditor;
- (n) meeting regularly to monitor and review the independent and internal auditing practices;
- (o) having direct communication with and unrestricted access to the independent auditor and any internal auditors or accountants;
- (p) reviewing the financial reports and advising all directors whether they comply with the appropriate laws and regulations; and
- (q) ensuring that the external auditor or lead audit partner is changed in line with best practice.

The Audit and Risk Committee shall:

- (r) regularly report to the Board on the operation of Metroglass' risk management and internal control processes;
- (s) 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 Metroglass; and
- (t) attend to any other matter put to the Audit and Risk Committee for consideration by the Board.

### **3. Membership**

Members of the Audit and Risk Committee shall be appointed by the Board and shall comprise a minimum of three members who are each non-executive directors of Metroglass, a majority of whom are independent directors and at least one director with an accounting or financial background. In saying that, all members must be financially literate and have an understanding of the building products industry.

A member of the Audit and Risk Committee will be deemed to have adequate accounting or financial background if he or she:

- (a) is a member of the Institute of Chartered Accountants of New Zealand or similar recognised accounting body, or has held a Chief Financial Officer position at an "Issuer" for a period of greater than 24 months; or
- (b) has successfully completed a course approved by NZX for Audit and Risk Committee membership; or
- (c) has the experience and/or qualifications deemed satisfactory by the Board.

The Board shall appoint a chairperson from among the members of the Audit and Risk Committee. The chairperson shall be independent and shall not be the chairperson of the Board.

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

Metroglass shall identify the members of the Audit and Risk Committee each year in its annual report.

### **4. Meetings**

The Audit and Risk Committee shall meet as it deems necessary to properly fulfill its obligations and discharge its duties. The working presumption will be that it will meet once in the lead up to completion of the half year and full year results and at least once per year on matters relating to risk management.

A quorum of members of the Audit and Risk Committee shall be a majority of members.

The Audit and Risk 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 directors who are not members of the Audit and Risk Committee and employees shall only be entitled to attend meetings of the Audit and Risk Committee at the invitation of the Audit and Risk Committee Chairman.

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

The external auditors may be invited to attend, at least in part, meetings of the Audit and Risk Committee and there shall be an opportunity at those meetings for the Audit and Risk Committee to speak with the external auditor without the Chief Executive or management present.

The Audit and Risk Committee will convene a meeting if the auditors so request.

Minutes of all meetings shall be kept.

## **5. Authorities**

The Audit and Risk Committee will make recommendations to the Board on all matters requiring a Board decision. The Audit and Risk Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

The Audit and Risk Committee is authorised by the Board, at Metroglass' 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.

## **6. Review of the Audit and Risk Committee**

The Audit and Risk Committee will undertake an annual self-assessment of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed (as against the Audit and Risk Committee Charter) by the Board, the Chief Executive Officer and any other person the Board considers appropriate.

## **7. Reporting Procedures**

The chairperson of the Audit and Risk Committee will report the committee's findings and recommendations from each meeting to the Board.

The minutes of all Audit and Risk 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.

### **Ownership and Review**

- Reviewer: Metro Performance Glass Limited Audit & Risk Committee
  - Approver: Metro Performance Glass Limited Board
  - Ownership: Chief Financial Officer
- Last reviewed: 28 November 2022