

AUDIT AND RISK COMMITTEE CHARTER

1.0 Introduction

- 1.1 The Board of Directors of Marsden Maritime Holdings Ltd (the “Board”) has resolved to establish a Committee to be known as the Audit and Risk Committee (the “Committee”). The Committee shall be a delegated sub-committee of the Board.

2.0 Purpose

- 2.1 The primary purpose of the Committee is to assist the Board to fulfil its audit and risk assurance responsibilities relating to Marsden Maritime Holdings Ltd (the “Company”).
- 2.2 The Committee will carry out this purpose by overseeing, reviewing and providing advice to the Board on the Company’s:
- internal control mechanisms,
 - external audit and internal audit (if applicable) functions,
 - risk management policy and processes and;
 - policies and procedures adopted to ensure compliance with applicable legislation, regulations, codes of practise and NZX listing rules and governing bodies requirements as they relate to financial and non-financial disclosure.
- 2.3 Management retains responsibility for the implementation and operation of adequate internal control, audit and risk assurance systems within the Company. The Committee has delegated authority from the Board to oversee and monitor these activities.

3.0 Committee Composition

- 3.1 The Committee will comprise of a minimum of three Directors.
- 3.2 All members shall be non-executive Directors. The Chair of the Board shall not be eligible to be the Chair of the Committee.

- 3.3 At least one member should have an accounting or financial background.
- 3.4 The Committee Chair and members will be appointed by the Board and will hold office until replaced by resolution of the Board.
- 3.5 The Committee may from time to time co-opt external experts if the Committee believes this will assist the Committee in the discharge of its responsibilities.
- 3.6 A quorum for meetings shall be two.
- 3.7 The Company Chairman is an ex officio member of the Committee. Any non-committee Director of the Board may attend a meeting of the Committee at the invitation of the Committee Chair.

4.0 Role and Responsibilities

- 4.1 To enable it to achieve its primary purpose, the Committee will have the following specific responsibilities:
 - 4.1.1 Financial Reporting
 - 4.1.1.1 considering and making recommendations for Board approval on any proposed changes to the Company's accounting policies or practises and their application during the reporting period,
 - 4.1.1.2 reviewing the interim and annual financial statements and all other financial statements prepared by the Company that are to be released to the market.
 - 4.1.1.3 reviewing and discussing with management the Companies external financial reporting and announcements including communication via the Company's website,
 - 4.1.1.4 requiring annual certification by the Chief Executive Officer and Financial Controller that the Company's financial statements reflect a true and fair view and have been prepared in accordance with applicable accounting standards. The certification statement is based on a sound system of risk management and internal control and compliance which implements the policies of the Board and;

4.1.1.5 considering, and recommending for Board approval, draft financial statements, reports and Company announcements regarding financial matters which must be disclosed to the NZX and any regulatory body.

4.1.2 External Audit

4.1.2.1 It should be noted that pursuant to the Public Audit Act 2001, the Auditor General is the auditor of the Company,

4.1.2.2 considering and recommending to the Board of approval the scope and emphasis of the audit plan, timetable and fee,

4.1.2.3 maintaining a direct line of communication between the auditor and the Chair of the Committee.

4.1.2.4 confirming the independence of the external auditor, including a approval of the non-audit services provided by the external auditor and their related fees,

4.1.2.5 considering and reviewing any significant findings of the external auditor, together with management's responses and recommending appropriate actions and,

4.1.2.6 requiring the external auditor to confirm annually in writing that it has complied with all professional regulations in relation to auditor independence,

4.1.2.7 ensuring the lead audit partner is rotated every 5 years and,

4.1.2.8 to meet with the lead audit partner at least once a year without management present.

4.1.3 Assurance

4.1.3.1 ensuring that effective audit, risk management, and compliance systems are in place and monitored to protect the Company's assets and to minimise the possibility of the Company operating beyond legal or regulatory requirements or beyond acceptable risk parameters,

- 4.1.3.2 enquiring of management and the external auditor regarding significant risks or exposures and assessing the Company's compliance with policies and procedures to effectively manage risk to the Company,
- 4.1.3.3 reporting to the Board on the state, nature and effectiveness of the Company's risk management policies and practises,
- 4.1.3.4 review any other policies as requested by the Board,
- 4.1.3.5 for capital projects with a cost exceeding \$0.5 million, Management to provide a post-implementation report to the Committee for review within six months of project/investment completion and then a final report to be reviewed no later than twelve months post-completion.

5.0 Committee Meetings

- 5.1 Proceedings of Committee meetings will be in accordance with the Company's constitution and otherwise as determined by the Committee Chair.
- 5.2 The Committee shall meet at least three times a year and will meet at other times as deemed necessary to fulfil its obligations.
- 5.3 The Committee Chair shall call a meeting of the Committee if so requested by any member of the Committee, or the external auditor, or as requested by the Board.
- 5.4 Written notice of the Committee meeting dates, times and locations shall be prepared by the Company Secretary. The agenda and supporting documentation shall be provided in sufficient time to allow review prior to the meeting.
- 5.5 Other Board members, company management, external auditors or any other person approved by the Committee Chair can be invited to attend the Committee meeting.
- 5.6 Minutes will be taken at all Committee meetings and be approved by the Committee at the next subsequent meeting. Following approval by the Committee copies of the minutes are provided as information to the Board.

6.0 Access and Independent Advice

- 6.1 The Committee shall have the authority to seek any information it requires from any officer or employee of the Company or any subsidiary company and such officers or employees are instructed by the Board to respond to such enquiries.
- 6.2 The Committee is authorised to take such professional advice as it considers necessary to execute its duties and responsibilities.

7.0 Review of Audit and Risk Committee Charter

- 7.1 This Charter is reviewed by the Committee and recommended to the Board for approval every three years and as required to ensure the Charter remains consistent with the Committee's objectives and responsibilities.

8.0 Performance

- 8.1 The Committee shall undertake an annual review of the Committee's performance compared to the Committee Charter and objectives that have been set.
- 8.2 The Committee Chair will prepare a report to the Board annually as to the outcomes of the annual performance review.