

Nuplex Industries Limited

Audit Committee

Charter

1. Constitution

- The Audit Committee shall be a Committee of the Board of Nuplex Industries Limited established by the Board.

2. Objectives

- The objective of the Committee is to assist the Board in discharging its responsibilities relative to financial reporting and conformance.

3. Membership

- Members of the Committee shall comprise members of the Board, appointed by the Board.
- The number of the members of the Committee shall be not less than three of whom all shall, wherever possible, be independent non-executive directors.
- The Managing Director shall not be a member of the Committee.
- at least one director member shall have an accounting or financial background.
- The Board shall appoint a Chairman from the independent non-executive members of the Committee.
- The Chairman of the Board shall not be Chairman of the Committee.

4. Meetings of the Committee

- A quorum of members of the Committee shall be two.
- The Committee may have in attendance such members of management, including the Chief Financial Officer, and such other persons, including the external auditors, as it considers necessary to provide appropriate information and explanations.
- Meetings shall be held not less than four times a year having regard to the company's reporting and audit cycle
 - at the planning stage of the Audit
 - before the publication of the half yearly financial statements

- before the Directors meet to approve the annual financial statements and annual report
 - to undertake an annual review of the Committee's objectives, responsibilities and terms of reference.
-
- All directors shall be entitled to attend meetings of the Committee. The Managing Director shall not be entitled to attend those meetings which the Committee chooses to hold without any company executives present.
 - Any member of the Committee, the Managing Director, the Chief Financial Officer or the external auditors may request a meeting at any time they consider it necessary.
 - 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 Managing Director, the Chief Financial Officer and the external auditors.
 - The Audit Committee will meet in committee at the end of each Audit Committee meeting.
 - Minutes of all meetings shall be kept.

5. Responsibilities of the Committee

- Considering and recommending to the Board the selection and appointment of the external auditors.
- Ensuring that the external audit lead partners' term is limited to five years.
- Direct communication with and unrestricted access to the external and internal auditors and accountants.
- Review of the annual audit plan with the external auditors.
- Monitoring and reviewing the external and internal auditing practices.
- Ensuring that the Company maintains accurate financial and accounting records.
- Obtaining from the Managing Director and the Chief Financial Officer a formal Statement that the company's financial reports present a true and fair view, in all material respects, and the company's financial condition and operational results are in accordance with applicable accounting standards.
- Reviewing the half yearly and annual financials statements and reports and advising all directors whether they comply with the relevant and appropriate laws, regulations and recognised accounting policies.

- Oversight of compliance with statutory responsibilities relating to financial and Stock Exchange regulations and guidelines.
- Reviewing financial information prior to its release to the Stock Exchange and media.
- Recommending the appointment and removal of external auditors, their fees and the terms of their engagement.
- Recommending the appointment and rotation of the external audit engagement partner.
- In terms of the IFAC guidelines in respect of services to be provided by our auditors.
 - The external auditors are authorised to provide the following types of services:
 - statutory and other audits
 - purchase and vendor due diligence in M&A, including advice on tax and deal structures
 - tax compliance and advisory
 - information and other business risk assurance, including Forensic.
 - Our auditors will not provide the following types of services:
 - management consultancy and, in particular, the selection and implementation of information systems
 - outsourcing of internal audit
 - valuations which will then be the subject of their audit
 - book-keeping services
 - Any other advisory services required from our external auditors, which are expected to exceed NZD20,000 must be first approved by the Chief Financial Officer and reported to the Board
 - Total non-audit fees to be regularly monitored by the Board.
- Review the internal audit function, including their independence, reporting obligations and proposed audit plans including coordination with the external auditors and to generally ensure that adequate internal controls are in place.
- Ensuring that recommendations highlighted in internal audit reports are actioned by management.
- Monitoring of corporate financial risk assessment including consideration of the nature and extent of financial risks facing the company, the likelihood of risks materialising, the company's ability to reduce the incidence and impact of those risks, and the cost of operating controls relative to the risks.

- Reviewing the Company's accounting policies and reporting requirements to ensure accuracy and timeliness and the inclusion of appropriate disclosures.
- Following up the implementation of recommendations made by external and internal auditors.
- Ensuring that reports issued by Auditors to management are tabled at Board Meetings together with management's response.
- Considering matters which might be raised by members at the Annual General Meeting.
- Reviewing the Company's Code of Ethics, compliance with the law as it relates to financial matters and compliance with the NZSE and ASX Corporate Governance Best Practice Codes.
- Reporting to the Board on the findings of the Committee subsequent to each Audit Committee meeting.
- Review of the frequency and significance of all transactions between the Company and related parties and assessment of their propriety.
- Review annually the company's disclosure and communications policy in conjunction with the authorised spokespeople.

6. Authority

- The Committee is authorised by the Board to investigate any activity within its terms of reference.
- It is authorised to seek any information it requires from any employee and all employees will be directed to cooperate 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 it considers necessary.

7. Review of the Committee

- The Committee shall undertake an annual self-review of its objectives, responsibilities and terms of reference. Such objectives, responsibilities and terms of reference shall also be reviewed by the Board, the Managing Director, the Chief Financial Officer and other persons the Board considers appropriate.

8. Reporting Procedures

- The Committee shall maintain direct lines of communication with the external auditors, the Managing Director, the Chief Financial Officer, and the internal auditors.
- The Managing Director 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.
- The Committee shall be provided with copies of all letters between the external auditors and management.
- 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 and the Board, the Chief Financial Officer and the external auditors.
- The Chairman shall present an annual report to the Board summarising the Committee's activities during the year and any related significant results and findings.