

**GENTRACK GROUP LIMITED
(Gentrack)**

Audit and Risk Committee Charter

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

1. Purpose

The purpose of the Audit and Risk Committee is to:

- (a) assist the Board in fulfilling its responsibilities for Gentrack's 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 and
- (d) assist the Board in ensuring the effective and efficient management of all strategic 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 Gentrack's affairs including:
 - (i) considering the appointment of the auditors, the audit fee and any issues on their 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 Gentrack's 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;
 - (vi) overseeing the independence of the external auditors and addressing issues of auditor independence; and
 - (vii) ensuring that the external auditor or lead audit partner is changed every five years.
- (b) reviewing the half year and annual financial statements, and any other financial

statements to be released by Gentrack, 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 Gentrack;
 - (v) the going concern assumption;
 - (vi) compliance with accounting standards;
 - (vii) compliance with stock exchange and other regulatory requirements; and
 - (viii) promoting and reviewing the integrity of Gentrack's financial reporting
- (c) regularly reviewing Gentrack's internal controls and systems, including financial systems and controls and the Treasury Policy;
 - (d) monitoring and regularly reviewing the policies, delegations and procedures under which Gentrack may be committed;
 - (e) considering the findings of any internal investigations and management's response thereto;
 - (f) reviewing the adequacy of Gentrack's insurance programme and recommending the annual placement of insurance policies to the Board
 - (g) creating, managing and monitoring processes so the Board is properly and regularly informed and updated on financial matters;
 - (h) Assessing whether it is appropriate for Gentrack to have an internal audit function;
 - (i) having direct communication with and unrestricted access to the independent auditor; and
 - (j) monitoring the Group's compliance with covenant and other requirements under the Group's Loan Facility ;

The Audit and Risk Committee shall:

- (a) regularly report to the Board on the operation of Gentrack's risk management and internal control processes;
- (b) 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 Gentrack; and
- (c) 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 Gentrack, 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 some members should have an understanding of the technology 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 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.

Gentrack 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.

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 may attend meetings of the Audit and Risk Committee.

Employees shall only be entitled to attend meetings of the Audit and Risk Committee at the invitation of the Audit and Risk Committee.

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 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 its 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 Gentrack'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.

6. Review of the Audit and Risk Committee

The Audit and Risk Committee will undertake an annual self-review 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

As soon as practicable after each Audit and Risk Committee meeting the Audit and Risk Committee will communicate its findings and recommendations to the chairperson.

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.

The chairperson will present an annual report to the Board summarising the Audit and Risk Committee's activities during the year and any related significant results and findings.

The annual report should include:

- (a) an assessment of whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- (b) an assessment of the management processes supporting external reporting;
- (c) the procedures for the selection and appointment of the external auditor;
- (d) an assessment of the performance and independence of the external audit engagement partners;
- (e) recommendations for the appointment or removal of an auditor;
- (f) an assessment of performance and independence of external auditors and whether audit committee is satisfied that independence of this function has been maintained having regard to provision of non-audit services; and
- (g) the results of its review of risk management and internal compliance and control systems.