

### 1 Role of the Committee and its authority

- (a) This Committee assists the board (**Board**) to fulfil its corporate governance responsibilities and oversees Vulcan's financial reporting, internal control systems, risk management and internal and external audit functions.
  - (b) The Committee is responsible for maintaining free and open communication with the external auditor and management.
  - (c) The Committee has powers to investigate matters, with full access to Vulcan's books, records, operations and people and has the authority to engage external advisers (i.e. accountants, lawyers) as necessary to carry out these duties.
  - (d) The Committee is established in accordance with Vulcan's constitution (**Constitution**) and assists the Board to fulfill its statutory and regulatory responsibilities.
  - (e) The Committee has authority to exercise the roles and responsibilities set out in this Charter and granted under separate resolutions of the Board, which are made from time to time.
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### 2 Membership

- (a) The Committee should to the extent practicable comprise of:
    - (i) at least 3 members;
    - (ii) only non-executive directors;
    - (iii) a majority of independent directors; and
    - (iv) an independent non-executive director as Chair (who does not chair the Board).
  - (b) All Committee members should be financially literate and understand Vulcan's business and industry.
  - (c) Committee members are appointed on a rolling basis and generally be eligible for re-appointment subject to the criteria in paragraph (a).
  - (d) The Board is responsible for the appointment and removal of Committee members.
  - (e) A Committee member may resign from the Committee by providing reasonable written notice to the Committee Chair.
  - (f) A Committee member's appointment will be automatically terminated with immediate effect if they cease to be a director
  - (g) The company secretary of Vulcan is secretary to the Committee.
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### 3 Meetings

- (a) The Committee will meet at least three times a year or as frequently as necessary to undertake its role effectively. As at the date of this Charter, the Committee intends to meet once per financial quarter.
  - (b) The Committee may meet in private with either or both of Vulcan's CFO and external auditor.
  - (c) The company secretary must convene a meeting of the Committee at the request of a Committee member.
  - (d) All non-executive directors will be invited to all meetings of the Committee. The Committee may invite any executive director, executive, other staff member or external auditor to attend all or part of a meeting of the Committee.
  - (e) The company secretary will take minutes of the meetings, which will be available for inspection by any director.
  - (f) The minimum number of Committee members that must be present to make the meeting valid (the 'quorum') is two.
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### 4 Duties and responsibilities

The Committee's key responsibilities and functions are:

- (a) overseeing and monitoring the Company's Whistleblower Policy. The Committee should be informed of any material incidents reported under the Whistleblower policy and recommend necessary changes to the Board;
  - (b) monitoring and reviewing at least once a year Vulcan's risk management framework. The Committee should be satisfied that it continues to be sound and that Vulcan is operating with due regard to the Board's risk appetite;
  - (c) reviewing Vulcan's financial statements and reports;
  - (d) in relation to Vulcan's financial reporting:
    - (i) reviewing the suitability and application of Vulcan's accounting policies and principles and ensuring they are used in accordance with the statutory financial reporting framework;
    - (ii) assessing significant estimates and judgements in financial reports;
    - (iii) assessing information from the external auditor to ensure the quality of financial reports; and
    - (iv) based on this assessment, making a recommendation to the Board regarding whether these statements should be approved and signed.
  - (e) reviewing and recommending to the Board disclosure of and entry into related party transactions (if any);
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- (f) overseeing Vulcan's financial controls and systems;
  - (g) managing audit arrangements and auditor independence (including disclosures regarding internal audit functions); and
  - (h) ensuring that any periodic corporate report Vulcan releases to the market that has not been audited or reviewed by an external auditor discloses the process taken to verify the integrity of its content.
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## 5 Reporting

- (a) The Committee will:
    - (i) regularly report to the Board on all matters relevant to the Committee's role and responsibilities;
    - (ii) advise the Board in a timely manner of matters which may significantly impact upon Vulcan (i.e. audit matters);
    - (iii) report and, as appropriate, make recommendations to the Board after each Committee meeting on Committee matters; and
    - (iv) as and when appropriate, seek direction and guidance from the Board on audit, risk management and compliance matters.
  - (b) Minutes of Committee meetings will be included in the papers for the next full Board meeting.
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## 6 Preparation and presentation of financial statements and reports

The Committee will:

- (a) after review with management and the external auditor, recommend to the Board:
    - (i) the half year and full year financial statements;
    - (ii) the preliminary financial reports to be lodged with ASX and NZX; and
    - (iii) all related financial reports and statements;
  - (b) review management representation letters to ensure that all relevant matters are addressed;
  - (c) discuss matters raised by the external auditor as a result of their work;
  - (d) assess the impact of changes in accounting standards and review recommendations for adoption of such changes in the financial accounts; and
  - (e) ensure appropriate processes are in place to assist the CEO and CFO with reporting to the Board on the systems of internal control at the end of the financial year.
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## 7 Financial controls and systems, risk management strategy, policies, procedures and systems

- (a) The Committee is responsible for:
    - (i) overseeing the effectiveness of Vulcan's financial controls and systems and risk management function; and
    - (ii) evaluating the structure and adequacy of the group's insurance coverage periodically.
  - (b) Risks faced by Vulcan may include (but are not limited to) regulatory and compliance, investment, legal, economic, environmental, social and financial.
  - (c) Responsibility for risk management is shared across the organisation as follows:
    - (i) The Board is responsible for overseeing:
      - (A) Vulcan's risk management framework; and
      - (B) the disclosure of any material exposure to environmental or social risks, including how these will be managed.
    - (ii) Management is responsible for establishing Vulcan's risk management framework, including identifying major risk areas and developing policies and processes to identify, monitor and manage these risks;
    - (iii) The Board has delegated the following responsibilities to the Committee:
      - (A) identifying major or potentially major risk areas;
      - (B) reviewing and monitoring Vulcan's risk management framework to ensure emerging and contemporary risks are identified and addressed
      - (C) undertaking a review of Vulcan's risk management framework at least once a year and disclosing this review in Vulcan's annual report.
      - (D) considering Vulcan's approach to occupational health and safety, economic, environmental and social risks, including benchmarks to measure performance;
      - (E) ensuring risk considerations are incorporated into strategic and business planning;
      - (F) reviewing and identifying 'lessons learned' from any material incident (i.e. fraud);
      - (G) providing updates on risk management to the Board, including supplementary information as required;
      - (H) reviewing management reports concerning regulatory and legal compliance;
      - (I) overseeing tax compliance and tax risk management; and
      - (J) reviewing any significant findings of any examinations by regulatory agencies.
  - (iv) Employees and contractors are expected to understand and manage risks within their responsibility.
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- (v) The Committee is expected to report to the Board about Vulcan's adherence to risk management policies and guidelines. This includes reporting on instances of non-compliance or advising where disclosure to the market might be required.
- (vi) The CEO and CFO are each responsible for reporting to the Committee on:
  - (A) any significant exposures or breaches of key policies, procedures or systems, or incidence of risks;
  - (B) new and emerging sources of risks, including measures in place to mitigate these risks;
  - (C) any disclosure-related considerations; and
  - (D) proposed changes to Vulcan's risk management framework.
- (vii) Vulcan will deal with risks in the following way:
  - (A) identify the nature of the risk;
  - (B) determine the seriousness of such risk, and who the risk is to be reported to;
  - (C) develop a risk mitigation plan;
  - (D) implement the risk mitigation plan; and
  - (E) monitor and report progress of risk mitigation plan.

## 8 External audit

The Committee:

- (a) is responsible for making recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness, and independence of the external auditor;
- (b) will once a year, discuss with the external auditor the overall scope of the audit and ensure the auditor attends the Vulcan AGM and is available to answer questions relevant to the audit;
- (c) must pre-approve all audit and non-audit services provided by the external auditor (other than taxation services);
- (d) will not engage the external auditor to perform any non-audit or assurance services that may impair or appear to impair the external auditor's judgment or independence (noting the Committee may delegate a pre-approval dollar limited to the CFO and authority to a Committee member to pre-approve amounts in excess of this);
- (e) will once a year, request a report from the auditor setting out all relationships that may affect its independence; and
- (f) will review the procedures for selection and appointment of the external auditors and rotation.

## 9 Communication

The Committee is to establish procedures for dealing with complaints received by Vulcan in relation to accounting or auditing matters. All of these employee submissions shall be treated as confidential.

The Committee shall receive reports of evidence of any material violation of the Corporations Act, the Companies Act 1993 (NZ), the Financial Reporting Act 2013 (NZ), the ASX Listing Rules or breaches of a fiduciary duty. The Committee must report to the Board on any such material breaches.

## 10 Access to information and independent advice

- (a) The Committee may seek any information or advice it considers necessary to fulfil its responsibilities.
- (b) The Committee has access to:
  - (i) Vulcan's management, to seek explanations and information from them; and
  - (ii) external auditors to seek explanations and information, without Vulcan's management being present.
- (c) The CFO and company secretary shall have free and unfettered access to the Committee.
- (d) The Committee may seek professional advice from appropriate external advisers, at Vulcan's cost and meet with the external advisers without management being present.

## 11 Reviews and changes to this Charter

- (a) The Committee will review this Charter annually or as often as it considers necessary.
- (b) The Committee will make recommendations to the Board on changes to Vulcan's risk management framework or the risk appetite set by the Board.
- (c) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.

## 12 Committee performance

- (a) The Board will, at least once in each year, review the membership of the Committee
- (b) The Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.
- (c) The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.