

MARLBOROUGH WINE ESTATES GROUP LIMITED

AUDIT AND RISK COMMITTEE CHARTER

Policy Statement

Introduction

This Charter governs the operations of the Audit and Risk Committee of Marlborough Wine Estates Group Limited (**MWE**).

MWE's board of directors (**Board**) has appointed an Audit and Risk Committee (the **Committee**) of at least three members. All members of the Committee will be non-executive directors and a majority will be independent directors. A majority of the members will be financially literate and at least one member will have an accounting or financial background. The chair of the Committee (**Committee Chair**) must be independent and must not be the chair of the Board (**Chair**).

Purpose

The objective and purpose of the Committee is to assist the Board in fulfilling its responsibilities in all matters related to risk management and the financial accounting and reporting of MWE. This includes assisting the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and others relating to:

- the integrity of MWE's financial statements;
- the effectiveness of MWE's internal control over financial reporting;
- MWE's compliance with legal and regulatory requirements;
- the independent auditor's qualifications and independence; and
- the performance of MWE's internal control processes and independent auditor.

The decisions of this Committee are reported back to the Board in order to allow the other members of the Board to question Committee members.

Given the nature and scale of the business of MWE and the internal financial controls MWE has in place, it is not considered necessary to have an internal auditor in addition to the Committee.

Responsibilities

The Committee is responsible for overseeing financial reporting, accounting policies, financial management, and internal control systems. The Committee is to keep under review the scope and results of audit work, its cost effectiveness and performance, independence and objectivity of the auditors. It also reviews the financial statements and any announcements concerning financial results.

The duties of the Committee are as follows:

- Ensure that appropriate financial reporting and internal control processes are in place and monitor those processes so that the Board is properly and regularly informed and updated on corporate financial matters;

- Subject to the requirements of the Public Audit Act 2001, to recommend to the Board the external auditor appointment, tenure and remuneration;
- Liaise with the external auditors and any accounting advisers;
- Review and assess the performance of the external auditors in respect of audit and non-audit services, including ensuring that the external audit firm or lead audit partner is changed at least every five years;
- Assess the independence of the external auditors against the NZX Main Board Listing Rules and ensure that there is no relationship between the proposed auditors and MWE or any related person that could compromise the independence of the auditors;
- Review (but not plan or conduct) the external auditors annual audit plan and reports, assess performance against plans;
- Review the draft half year and annual financial statements of MWE together with associated market announcements to NZX, for compliance with appropriate laws and regulations and to recommend approval/release to the Board;
- Review public documents and disclosures relating to financial information;
- Review material accounting policy changes proposed by management or the external auditors;
- Review group tax exposures and meet with management every six months on taxation compliance;
- Assess the performance of financial management;
- Review the audit findings and ensure that recommendations highlighted in audit reports are actioned by management;
- Review the risk management plan;
- Review management policies and processes to ensure their suitability for achieving appropriate levels of compliance with company risk management policy, Code of Ethics and statutory and regulatory requirements;
- In addition, the Committee shall examine any other matters referred to it by the Board.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to monitor the overall corporate “tone” for quality financial reporting, sound business risk practices and ethical behaviour.

Authority

The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from any employee (or contractor) and all employees (or contractors) will be directed to cooperate with any request made by the Committee. Employees (or contractors) may only attend Committee meetings at the express request of the Committee.

The Committee shall have the authority of the Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary. The Committee shall have no executive powers with regard to findings and recommendations.

Review of the Audit Committee

The Committee will undertake a formal review of its objectives and activities at least once every two years.

The Board will review the performance of the Committee as and when the Board deems appropriate and has overall responsibility for MWE's systems of internal financial control.

Reporting Procedures

The Committee Chair shall make a report to the Board after each Committee meeting on the findings and recommendations of the Committee.

The minutes of all Committee meetings, signed by the Chair, shall be circulated to all directors and to other parties as the Board directs.

The Committee Chair or if they are unable, another member of the Committee, must be available at all annual shareholder’s meetings to respond to any shareholder questions on the Committee’s activities and areas of responsibility

The Committee shall maintain direct lines of communication, independent of senior management, with the external auditors.

General

MWE will communicate this policy to its shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote achievement of the objectives of this policy.

This policy has been agreed by the Board of Marlborough Wine Estates Group Limited.

Issue	Approved by	Date
1.0	The Board	AUGUST 2019