

AUDIT AND RISK COMMITTEE CHARTER

The Board of Air New Zealand Limited (“the Board”) has established the Audit and Risk Committee (“the Committee”) which is governed by this Charter.

Purpose

The purpose of the Committee is to advise and assist the Board in discharging its responsibilities with respect to financial reporting, compliance and risk management practices (including environment, social and governance (ESG) risks), external financial accounting and reporting and external climate-related disclosures including oversight of both internal and external audit functions of Air New Zealand Limited.

Role

- To review and where necessary make recommendations to the Board in respect of financial and climate reporting systems, controls, documents, policies and related matters.
- To review and where necessary make recommendations to the Board in respect of the external auditors and the external climate-related assurance practitioner and to manage the relationship with the external auditor and the external climate-related assurance practitioner (including ensuring independence is maintained).
- To oversee activities of the internal audit function, ensuring the function’s independence, effectiveness and alignment of activity with the organisation’s risk management and governance objectives.
- To review and where necessary make recommendations to the Board in respect of risk management and compliance matters.

Responsibilities

Financial Reporting

- Ensure that appropriate financial reporting and financial control processes are in place and monitor those processes so that the Board is properly and regularly informed and updated on corporate financial matters.
- Review the draft half year and annual financial statements and associated Stock Exchange releases, for compliance with appropriate laws and regulations, and recommend approval to the Board. This must include:
 - Review of material accounting policy changes proposed by management;
 - Review of major judgement areas and complex or unusual transactions and disclosure items;
 - Review of any legal matters that could significantly impact the financial statements;

- Review other public documents and disclosures relating to financial information (excluding the monthly operational statistics);
- Review group tax exposures and meet with the Head of Group Taxation every six months;
- Assess the performance of financial governance and management.

Climate Reporting

- Ensure that appropriate processes for the identification, assessment and management of climate-related risks and opportunities are in place and monitor those processes to ensure these risks are integrated into overall risk management processes;
- Review and approve engagement letters and fees for the climate-related assurance services;
- Oversee internal controls and processes for the preparation, verification and approval of climate statements and to ensure climate-related disclosure records are complete and accurate;
- Review and approve internal climate-related assurance plans;
- Review significant climate-related assurance findings and ensure that they are reported to the Board as appropriate;
- Review the draft climate statements and climate related disclosures for compliance with appropriate laws and regulations, and recommend approval to the Board. This must include review of:
 - external assurance reports and findings related to the Climate Statement and Greenhouse Gas emissions inventory
 - representations made by management
 - public releases of climate-related information to the media and marketing, including the adequacy of information for shareholders and analysis; significant estimates, assumptions and judgements; and
 - the integrity of climate-related disclosures and the annual Climate Statement, including presentation in accordance with the principles contained in Aotearoa New Zealand Climate Standards.

External Auditors

- Subject to the requirements of the Public Audit Act 2001, recommend to the Board the external auditor appointment, tenure and remuneration;
- Approve the Audit Independence Policy;
- Ensure rotation of the key external audit partner in line with the Audit Independence Policy;
- Review and assess the performance and independence of external auditors in respect of audit and non-audit services;
- Review (but not plan or conduct) the external auditor's annual audit plan and reports, assess performance against plans; and
- Regularly meet with the external auditors and facilitate the open identification and discussion of relevant issues.

Internal Audit

- Appoint and establish the tenure of the Internal Audit Lead;

- Approve the Internal Audit Charter;
- Approve the Internal Audit annual work plan and any significant changes to it.
- Monitor progress against the annual work plan and fulfilment of the internal audit mandate;
- Approve the Internal Audit budget and resource plan, any significant changes to these, and consider the impact of resource limitations where identified;
- Monitor the quality and performance, effectiveness and efficiency of the internal audit function.
- Oversee the objectivity of the internal audit function, its activities, and safeguards to manage identified actual, potential or perceived impairments to independence;
- Regularly meet with the Internal Audit Lead to facilitate the open identification and discussion of relevant issues, which may include any identified restrictions on the internal audit function's scope, access, authority or resources or independence that limit the function's ability to carry out its responsibilities effectively; and
- Receive and review results of internal audit activity, review the status of audit findings and ensure that recommendations highlighted in audit reports are actioned by management in an appropriate and timely manner.

Risk Management and Internal Controls

- Review the risk management framework and any update to the Group Risk Profile (excluding risks within the scope of the Health, Safety and Security Committee);
- Maintain oversight of key risks identified through the Group Risk profile and the extent to which the Company operates in accordance with the Risk Appetite Statement. Critical risks will be explicitly considered on a regular basis;
- Review management policies and processes to ensure their suitability for achieving appropriate levels of compliance with company risk management policy, Code of Conduct and statutory and regulatory requirements;
- Review of insurance arrangements; and
- Consider the adequacy of internal controls and risk management systems for the management of key business risks.

General

- Review the process for confidential receipt, retention and treatment of Code of Conduct complaints;
- Review of Delegated Financial Authorities at least every three (3) years;
- Supervise special investigations when requested by the Board; and
- Address any other matters referred by the Board.

The Committee shall not have any responsibility to monitor and report to the Board on the management of health, safety, security, environmental and other critical safety issues. These matters are the responsibility of the Health, Safety and Security Committee of the Board.

An annual plan of the matters to be considered at Committee meetings is to be presented to the Board for approval.

Composition and Appointment

Membership/Appointment/Qualifications

The Committee shall be appointed by the Board and shall consist of at least three (3), and not more than seven (7), members, including the Chair of the Board.

All members of the Committee must be non-executive directors and a majority must be independent directors.

A majority of the members should be financially literate and at least one (1) member must be independent and have an adequate accounting or financial background.

Chair

The Chair shall be appointed by the Board and must be an independent director and may not be the Chair of the Board.

Authority

Unless specifically mandated, the Committee has recommendatory powers only.

The Committee is authorised by the Board to undertake any activity pursuant to its functions and responsibilities defined in this Charter or otherwise assigned to it by the Board. It is authorised to seek any information it requires from any employee and all employees shall be directed to cooperate with any request made by 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 not have nor exercise any power that the Board is prohibited from delegating under s130 of the Companies Act 1993.

The Committee has authority to sub-delegate. The Committee must ensure any activities outside the scope of the Committee are referred to the appropriate responsible body.

Administration

Secretary

The Internal Audit Lead shall act as Secretary of the Committee.

Meetings

The Committee will hold at least three (3) meetings per year, which shall be scheduled to ensure timely review of the interim and year-end financial statements and the draft Climate Statement.

Any Board member may request, through the Chair of the Board, that the Committee convene to address any matter within the purview of the Committee that is of serious concern.

The Committee Chair shall also call a meeting of the Committee if so requested by any Committee member, or the Internal Audit Lead or the External Auditor. The Committee Chair shall be the primary point of contact for the External Auditor or the Internal Audit Lead to bring any matter to the Committee's attention.

The Secretary, in conjunction with the Committee Chair, shall draw up the Agenda.

The Agenda and Committee papers shall be distributed to members at least one (1) week prior to each meeting.

If the Committee Chair is absent from a meeting, the members of the Committee participating in that meeting shall elect a Chair for the meeting from their number.

The meeting can be held through any means that allow for immediate audio or audio-visual communication.

Quorum

A quorum shall be more than half of the members of the Committee.

Conflicts of Interest

A member of the Committee who has an interest in any matter being determined by the Committee shall excuse themselves from the relevant discussions and shall not vote on that matter.

Attendees

Meetings shall be attended by the External Auditors, Chief Financial Officer, Chief Executive Officer, Internal Audit Lead, General Counsel & Company Secretary, and others as appropriate, at the discretion and invitation of the Committee. Adequate notice shall be given to those to be invited.

Invitees may be requested to withdraw from the meeting at any time by the meeting Committee Chair.

The Committee shall maintain direct lines of communication, independent of senior management, with the Internal Audit Lead and the External Auditors. On a regular basis, no less than annually, the Committee shall meet with the External Auditors and the Internal Audit Lead without management present to discuss any matters that either party believe should be discussed confidentially.

Written Resolutions

A written resolution signed or agreed to by more than half of the members of the Committee, is as valid and effective as if it had been passed at a properly convened Committee meeting. This resolution can consist of several documents with each document signed or agreed to by one or more Committee members and transmitted electronically or through other similar methods.

Records

The Secretary shall ensure minutes, resolutions, papers and other records of the Committee are retained in accordance with any applicable policies or guidelines issued by the General Counsel & Company Secretary

Review

The Committee shall undertake a formal review of its objectives and activities regularly and recommend any consequential changes to this Charter to the Board.

The Committee's objectives and activities shall also be subject to Board review, and review by such other parties (including senior management) as the Board may determine.

Reporting

Reporting to the Board

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

Annual Report

The Committee is to prepare an annual report to the Board. The Report is to address all matters relevant to the Committee's role and responsibilities including:

- Assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholders' needs;
- Assessment of the management processes supporting external reporting;
- Procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- Recommendations for the appointment or removal of an external or internal auditor;
- Assessment of the performance and independence of the external auditors and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
- Assessment of the performance and objectivity of the internal audit function; and
- The results of its review of risk management and internal compliance and control systems.

Minutes

The Committee must ensure that minutes are kept of all proceedings at its meetings.

Minutes shall be confirmed at the subsequent Committee meeting and/or signed as correct by the Chair of the meeting.

Approved minutes shall be made available to all directors and attendees of the meeting, and to other parties as the Committee Chair or the Board directs.

This Charter was last confirmed by the Board of Air New Zealand Limited in March 2025.