

AUDIT COMMITTEE CHARTER

1 INTRODUCTION

The Audit Committee does not remove from the full Board of Directors any of its responsibilities and legal obligations. Rather it is a working party established to assist the Board in the conduct of its responsibilities and hence will report back to the full Board on all material matters and issues requiring decisions in principle. Against this background the roles of the Audit Committee as set out in this Charter will apply.

2 PURPOSE

The purpose of the Committee shall be to assist the Board in fulfilling its corporate governance responsibilities relating to Rubicon's internal control framework, financial reporting, audit activities and any other matters referred to it by the Board.

The Committee shall:

- 2.1 Review the effectiveness of the internal control framework across the Rubicon Group with management and the External Audit.
- 2.2 Review with management, and the External Audit significant risks and exposures and mitigation strategies.
- 2.3 Review the Group's accounting policies and financial reporting practices (including financial statements in any offering documents).
- 2.4 Review the Annual Financial Statements and advise all Directors of the Company whether these Financial Statements comply with the appropriate laws and regulations.
- 2.5 Ensure that the Board is properly and regularly informed and updated on corporate financial matters.
- 2.6 Maintain direct and unrestricted lines of communication with the External Audit and management.
- 2.7 Confirm the respective authorities and responsibilities of the Board, External Audit and management.
- 2.8 Oversee and review the External Audit process.
- 2.9 Recommend the appointment and removal of the External Auditor.
- 2.10 Ensure that the External Audit or lead Audit partner is changed at least once every five years.
- 2.11 Review and confirm the Independence of the External Audit
- 2.12 Review with appropriate personnel the actions taken to ensure compliance with the Group's Code of Conduct and Ethics and Group Policies and the results of confirmations or violations of such Code.

- 2.13 Review the programme and policies operating in the Group to ensure compliance with applicable laws and regulations and monitoring the results of these compliance efforts.

The Committee's specific duties and responsibilities, underlying these areas, are detailed in Appendix 1.

3 CONSTITUTION AND MEMBERSHIP

- 3.1 The Audit Committee shall consist of all non-executive Rubicon directors.
- 3.2 The Committee shall have a minimum of three members, with at least one member considered to have an accounting or financial background as defined in the NZX Listing Rules.
- 3.3 The Chairman shall be appointed by the Board and the Chief Financial Officer shall act as the Secretary of the Committee.
- 3.4 A quorum shall be three members.
- 3.5 The Committee may have in attendance such members of management and such other persons as it may deem necessary to provide appropriate information or explanations.
- 3.6 The external auditors will attend meetings as requested by the Chairman.
- 3.7 Executive Directors should not, however, have the right to attend those meetings that the Audit Committee chooses to hold without any company executives present.

4. AUTHORITY

- 4.1 The Committee is authorised by the Board to investigate any activity covered by its roles. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.
- 4.2 Any employee will have access to the Chairman at any time.
- 4.3 The Committee shall have the authority of the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

5. REPORTING PROCEDURES

- 5.1 An agenda and Audit Committee papers will be prepared and circulated to all directors of Rubicon including the members of the Committee prior to meetings. The Chief Financial Officer shall keep minutes of the Committee's meetings which shall be circulated to all members of the Board and to the external auditors.

- 5.2 The Chief Financial Officer will be responsible for drawing to the Committee's immediate attention any material adverse matters which relate to the financial condition of the Group, any material breakdowns in internal controls and any material events of fraud or malpractice once evidence of such events is available.
- 5.3 Any communication from the external auditors addressed to the Audit Committee will be circulated immediately.

6. COMMITTEE PERFORMANCE EVALUATION

- 6.1 The Board shall review the Committee's performance against this Charter at least annually.

Appendix 1

AUDIT COMMITTEE GENERAL DUTIES AND RESPONSIBILITIES

Review the adequacy, efficiency and effectiveness of the internal control framework and review the significant risks and exposures to Rubicon and their mitigation strategies.

- Determine whether management is taking action to monitor the effectiveness of Rubicon's internal control framework, (including financial and other authorisations, operational compliance and legal and regulatory compliance) and make recommendations to the Rubicon Board.
- Inquire of management and External Audit about significant risks or exposures, including illegal acts, fraud, and assess the steps management has taken to minimise such risk to Rubicon.
- Monitor the standard of corporate conduct and take an active interest in ethical and reputational considerations regarding Rubicon's policies and practices.
- Evaluate the adequacy and effectiveness of Rubicon's administrative, operating and financial internal control framework, including compliance with applicable laws and regulations, by reviewing reports from External Audit and monitor management response and action to correct any noted deficiencies.
- Review any regulatory reports submitted to Rubicon and monitor management's response to them.

Review the accounting policies and financial reporting practices

- Review financial reporting issues and disclosure requirements.
- Review and recommend to the Rubicon Board of Directors significant changes in accounting policies and practices.
- Review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members; assess and advise the Rubicon Board of Directors whether the financial statements reflect appropriate accounting policies.
- Review major judgement areas, particularly the nature and level of significant provisioning.
- Review any legal matters which could significantly impact the financial statements.
- Pay particular attention to complex and/or unusual transactions.
- Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with Committee members' knowledge of Rubicon and its operations.

Maintain direct and unrestricted lines of communication with the External Audit and management.

- Ensure the Board is properly and regularly informed and updated on corporate financial matters.

- Ensure that the ability and independence of the External Audit to carry out its statutory audit role is not impaired, or could reasonably be perceived to be impaired.
- Determine what services, if any, the External Audit may provide to Rubicon apart from its statutory audit role.
- Monitor and approve any services provided by the External Auditor other than in its statutory audit role.