

AUDIT AND RISK COMMITTEE CHARTER

PURPOSE

This Charter sets out the authority, role and responsibilities, composition and operation of Audit & Risk Committee (the **Committee**) for Fletcher Building Limited (**Fletcher Building**).

AUTHORITY

The Board, through the constitution and its charter, has delegated authority to:

- (a) the Committee to oversee matters relevant to Fletcher Building's financial reporting, risk management framework, external auditor relationship and internal audit function; and
- (b) the Safety, Health, Environment and Sustainability Committee (**SHES Committee**) to oversee Fletcher Building's strategies, policies, and practices in relation to safety, health, environment, and sustainability aspects of its operations and affairs.

The Committee's authority with respect to the risk management framework does not extend to the authorities that the Board has delegated to the SHES Committee.

The Committee has the authority to decide on all matters within the scope of its role and responsibilities, other than matters reserved for the Board.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The role of the Committee is to:

- (a) oversee the integrity of Fletcher Building's external financial reporting;
- (b) oversee Fletcher Building's risk management framework and related internal controls;
- (c) oversee:
 - (i) Fletcher Building's relationship with external auditors and
 - (ii) Fletcher Building's internal audit function;
- (d) facilitate open communication among the external auditors, management, the internal audit function, and the Board;
- (e) approve public disclosures related to its role and responsibilities, except those required to be approved by the Board; and
- (f) oversee Fletcher Building's climate-related assurance activities and, together with the SHES Committee, oversee Fletcher Building's climate-related disclosure statements.

In addition to the general matters listed above, the Committee is responsible for:

1. Financial Governance

- reviewing and approving significant accounting policy changes and overseeing policy compliance with relevant legislation and listing rules;
- meeting with the external and internal auditors to discuss financial governance practices;
- overseeing Fletcher Building's treasury position in relation to funding, liquidity, and financial risk management, as well as compliance with covenants;
- overseeing Fletcher Building's tax position and material tax risks; and
- monitoring Fletcher Building's internal processes for the purpose of assessing whether the Board is properly and regularly informed and updated on corporate financial matters;

2. Financial Reporting

- Reviewing, and recommending to the Board for approval, Fletcher Building's interim and annual financial statements, and assessing whether those statements are adequate for shareholder needs and

- compliant with appropriate laws and regulations; and
- when conducting the above review, consider:
 - a) the external auditors' report(s) and their findings;
 - b) the quality of the financial disclosures;
 - c) any significant changes in accounting policies;
 - d) any significant accounting estimates and judgements;
 - e) the implications of any significant transactions;
 - f) any significant disagreements between management and the external auditors; and
 - g) whether the financial statements provide a true and fair view of the financial position and performance of Fletcher Building.

3. Climate Reporting

- reviewing, approving and overseeing Fletcher Building's internal climate-related assurance plans;
- recommending to the Board the appointment, re-appointment, replacement or termination of the climate-related assurance practitioner;
- in conjunction with the SHES Committee, reviewing and approving the scope, terms and fees of the climate-related assurance engagement; and
- together with the SHES Committee reviewing and recommending to the Board Fletcher Building's annual climate-related disclosure statements.

4. Risk Management, Internal Control, and Insurance

- reviewing and monitoring the adequacy of Fletcher Building's risk management framework, including the processes, mechanisms and policies used to identify, assess, monitor and manage material strategic, financial, operational and emerging risks, including risks relating to fraud (including fraudulent financial reporting) and cyber security threats;
- receiving and considering reports on Fletcher Building's risk position and level of maturity and the extent to which the existing risk management framework supports the ability of Fletcher Building to operate effectively and consistently within its risk settings and recommending any changes to the Board;
- inquiring of management, the internal audit function and the external auditors regarding significant changes to Fletcher Building's risk exposure, emerging trends and preparedness activities, and reviewing the adequacy of the information provided;
- elevating, where required, material strategic, financial, operational, or emerging risks to the Board;
- reviewing and monitoring the adequacy and effectiveness of Fletcher Building's internal control framework through active communication with management, the internal and external auditors, and monitoring management's responses and actions to correct any noted deficiencies;
- reviewing incident management and business continuity plans for key risks, including reviewing reports on major incidents, control failures and material breakdowns, and assessing compliance with relevant internal frameworks;
- recommending to the Board the delegation of authority levels and limits within the business; and
- reviewing Fletcher Building's insurance programme and recommending the annual renewal of policies to the Board.

5. Audit Processes

External Financial Audit

- recommending to the Board the appointment, re-appointment or replacement of the external financial auditors;
- reviewing and approving the scope, terms, and fees of the external audit engagement;
- reviewing and pre-approving non-audit services to be performed by the external auditor in accordance with delegated authority levels;
- reviewing the independence of the external auditors and at least every five years, overseeing the rotation of the lead audit and review partners inquiring as to any unjustified restrictions or limitations being placed on the external auditors such that their ability to carry out their statutory role could be impaired

- or could reasonably be perceived to have been impaired;
- reviewing separately with management the performance of the external auditors, including any significant difficulties encountered during the audit; and
- reviewing and assessing the findings of the external auditors and the action taken and timetable proposed by management in response to the findings.

Internal Audit

- overseeing the appointment or replacement of the General Manager of Internal Audit, and any internal audit co-source provider;
- reviewing and approving the internal audit plan including any changes proposed at any time during the year, and assessing whether the internal audit function has sufficient resources to deliver the internal audit plan;
- meeting regularly to monitor and review auditing practices, progress against the internal audit plan and the overall performance of the internal audit function;
- monitoring the independence of the internal audit function and whether it has unrestricted access to information and resources to execute the internal audit plan;
- reviewing and assessing internal audit findings and management's responses and remediation timelines;
- overseeing the effective coordination between the internal and external audit activities;
- overseeing special investigations as required by the Board; and
- preserving the independence of the internal audit function by having in place systems and processes that facilitate it reporting functionally to the Committee Chair rather than to management.

6. Other

- oversee the effectiveness of any Fletcher Building policies that are delegated to the Committee to supervise, reviewing incidents of material breaches reported under these policies, and reviewing and recommending any changes to these policies for approval by the Board;
- overseeing the preparation and verification of Fletcher Building's public disclosures on Committee-related matters, and recommending them to the Board for approval and release;
- reviewing and monitoring communication, including the findings of any examinations, with financial regulators;
- monitoring and reviewing material incident reports involving fraud, whistleblower complaints, disclosures or a breakdown of Fletcher Building's internal controls and overseeing management's implementation of action plans;
- exercising such specific and express powers and discretions as delegated to the Committee by the Board from time to time; and
- performing any other activities consistent with this Charter, Fletcher Building's constitution and applicable laws, regulations or listing rules as the Committee or the Board deems necessary or appropriate.

COMPOSITION

The Committee is comprised solely of independent non-executive Directors, with no fewer than three members. The Chair of the Committee and its members shall be appointed by the Board.

The Chair of the Committee:

- may not be the Chair of the Board; and
- should not have a long-standing association with Fletcher Building's external auditor as a current, or retired, audit partner or senior manager at the firm.

One member of the Committee must have an adequate financial or accounting background as determined by the guidance issued by NZX from time to time.

A quorum shall be two members.

All Directors, who are not members, have a standing invitation to attend meetings of the Committee. The Committee may require any employee of Fletcher Building to attend meetings for the purpose of making presentations or participating in discussions.

The Secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board.

PROCEDURES

The Committee will meet as required but should meet at least four times each year.

The Committee will meet with the internal and external auditor without management present. The internal or external auditors may request a meeting if they consider that one is necessary.

An agenda will be prepared for each meeting and distributed in advance of the meeting in consultation with the Committee Chair.

Minutes of meetings will be prepared and will be circulated to the Committee Chair and then to the Committee and Board after each meeting.

The Committee Chair will report to the Board after each Committee meeting, including recommendations on any specific decisions or actions the Board should consider and other matters relevant to the Committee's role and responsibilities.

The Committee will each year conduct a review of its performance against this Charter and will report to the Board on the outcome of that review.

From time to time, matters considered by the Committee may be relevant to the workings of another Board committee. The Committee Chair and the Board Chair (with the assistance of the Company Secretary) will coordinate such cross-committee discussions and reporting.

ASSISTANCE AND EXTERNAL ADVICE

The Committee will have access to adequate internal and external resources, including seeking advice or assistance from external advisors or specialists if it considers this necessary or appropriate to fulfil its role.

In the first instance, the Chief Financial Officer or delegate will provide assistance and support to the Committee in relation to Committee matters.

APPROVAL AND REVIEW OF CHARTER

The Committee Charter must be approved by the full Board.

The Committee Charter is available on Fletcher Building's website and is intended to be reviewed by the Committee every three years.

Approved by the Board: February 2026

With effect from: 1 March 2026