Nuplex Industries Limited

Audit Committee Charter

(Approved by the Board on 26th August 2010)

Nuplex Industries Limited

Audit Committee

Charter

1. Constitution

1.1 The Audit Committee shall be a committee of the Board of Nuplex Industries Limited ("the Company") established by the Board ("the Committee").

2. Objectives

2.1 The objectives of the Committee are to assist the Board in discharging its corporate governance responsibilities with regard to:

- The reliability and integrity of information for inclusion in the financial statements of the Company;
- Compliance with legal and regulatory obligations relating to audit, accounting, tax and financial reporting obligations and other related legal and regulatory obligations;
- Safeguarding the independence of the external and internal audit functions

3. Membership

3.1 Members of the Committee shall comprise non-executive directors, appointed by the Board a majority of whom shall be independent directors.

3.2 The number of the members of the Committee shall be not less than three...

3.3 The Managing Director shall not be a member of the Committee.

3.4 There should be some members of the Committee with an understanding of the industry in which the Company operates.

3.5 At least one director member shall be a qualified accountant or other finance professional with experience of financial and accounting matters.

3.6 The Board shall appoint a Chairman from the independent non-executive members of the Committee.

3.7 The Chairman of the Board shall not be Chairman of the Committee.

4. Meetings of the Committee

4.1 A quorum of members of the Committee shall be two.

4.2 The Committee may have in attendance such members of management, including the Chief Financial Officer, the internal auditor and such other

persons, including the external auditors, as it considers necessary to provide appropriate information and explanations.

4.3 Meetings shall be held not less than four times a year having regard to the company's reporting and audit cycle:

- at the planning stage of the Audit
- before the publication of the half yearly financial statements
- before the Directors meet to approve the annual financial statements and annual report
- to undertake an annual review of the Committee's objectives, responsibilities and terms of reference.

4.4 All directors shall be entitled to attend meetings of the Committee. The Managing Director shall not be entitled to attend those meetings which the Committee chooses to hold without any company executives present.

4.5 Any member of the Committee, the Managing Director, the Chief Financial Officer, the internal auditor or the external auditors may request a meeting at any time they consider it necessary.

4.6 Reasonable notice of meetings and the business to be conducted shall be given to the Members of the Committee, all other members of the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditors.

4.7 The Audit Committee shall meet without management in attendance, including the Managing Director, at such times as the Committee considers appropriate.

4.8 Minutes of all meetings shall be kept by the Company Secretary.

5. Responsibilities of the Committee

The responsibilities of the Committee shall include the following:

5.1 Reviewing the half yearly and annual financial statements and reports and advising all directors whether they comply with the relevant and appropriate laws, regulations and recognised accounting policies.

5.2 Review of the annual audit plan with the external auditors.

5.3 Obtaining from the Managing Director and the Chief Financial Officer a formal Statement that the company's financial reports present a true and fair view, in all material respects, and the company's financial condition and operational results are in accordance with applicable accounting standards.

5.4 Oversight of compliance with statutory responsibilities relating to financial and Stock Exchange regulations and guidelines.

5.5 Reviewing financial information prior to its release to the Stock Exchange and media.

5.6 Ensuring that the external audit lead partner's term is limited to five years

5.7 Ensuring compliance with the terms of the International Federation of Accountants (IFAC) guidelines in respect of services to be provided by our auditors,

5.8 Ensuring that any other advisory services required from the external auditors, which are expected to exceed NZD100,000 must be first approved by the Chair of the Committee and reported to the Board.

5.9 Monitoring of corporate financial risk assessment including consideration of the nature and extent of financial risks facing the company, the likelihood of risks materialising, the company's ability to reduce the incidence and impact of those risks, and the cost of operating controls relative to the risks.

5.10 Reviewing the Company's accounting policies and reporting requirements to ensure accuracy and timeliness and the inclusion of appropriate disclosures.

5.11 Reporting to the Board on the findings of the Committee subsequent to each meeting of the Committee.

5.12 The matters on which the Committee is required to report to the Board as set out in clause 8.6

6. Authority

The Committee shall have the following authorities:

6.1 The Committee is authorised by the Board to investigate any activity within its terms of reference.

6.2 It is authorised to seek any information and explanation it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.

6.3 The Committee is authorised by the Board to obtain, at the expense of the company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise it considers necessary.

7. Review of the Committee

7.1 The Committee shall undertake an annual self-review of its objectives, responsibilities and terms of reference. Such objectives, responsibilities and terms of reference shall also be reviewed by the Board, the Managing

Director, the Chief Financial Officer and other persons the Board considers appropriate.

8. Reporting Procedures

8.1 The Committee shall maintain direct lines of communication with the external auditors, the Managing Director, the Chief Financial Officer, the internal auditor, and with management generally.

8.2 The Managing Director and the Chief Financial Officer shall be responsible for drawing to the Committee's immediate attention any material matter that relates to the financial condition of the Company, any material breakdown in internal controls and any event of fraud or malpractice.

8.3 The Committee shall be provided with copies of all letters and other formal communications between the external auditors and management.

8.4 After each Committee meeting the Chairman shall report the Committee's findings and recommendations to the Board.

8.5 The minutes of all Committee meetings shall be circulated to members and the Board, the Chief Financial Officer and the external auditors.

8.6 The Committee's reporting to the Board shall cover 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 shareholder 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, if necessary, the removal of the external auditor;
- assessment of the performance and independence of the external auditors and, where non-audit services are provided, whether the Committee is satisfied that provision of those services has not compromised the auditor's independence;
- assessment of the performance of the internal audit function;
- the results of the Committee's review of the financial risk management and internal control systems implemented by management;
- recommendations for the appointment or, if necessary, the dismissal of the head of internal audit;