

**NORTHWEST HEALTHCARE PROPERTIES MANAGEMENT LIMITED**  
**(as manager of the Vital Healthcare Property Trust)**

**AUDIT COMMITTEE CHARTER**

**1. PURPOSE**

1.1 The Board of NorthWest Healthcare Properties Management Limited (“**Manager**”, manager of Vital Healthcare Property Trust (“**VHP**”)), has established an Audit Committee to assist the Board in discharging its responsibilities with respect to financial reporting practices of VHP. This Audit Committee Charter is intended to guide the Audit Committee members in fulfilling their responsibilities to the Board. This Charter does not create additional obligations on its members in respect of the audit function, financial performance or financial reporting of the Manager as a corporate entity separate from VHP.

**2. COMPOSITION**

2.1 The Audit Committee must have a minimum of three Directors and a majority of those Directors must be Independent Directors.<sup>1</sup>

2.2 At least one member of the Audit Committee will have an accounting or financial background<sup>2</sup> and be literate in financial reporting and control, including knowledge of relevant regulatory requirements.

2.3 The chairperson of the Audit Committee will be determined by the Board.

**3. DUTIES, RESPONSIBILITIES AND SCOPE**

3.1 The duties, responsibilities and scope of the Audit Committee are set out below.

***Financial Reporting***

- Ensuring processes are in place (and regularly monitoring those processes) so that the Board is properly and regularly informed on VHP corporate financial matters.
- Reviewing proposed VHP earnings releases and VHP financial reports (including half year and full year financial reports), advising the Board whether in the Committee’s view those releases and reports comply with appropriate laws and regulations, and recommending their approval by the Board (noting that each Director on the Board has an individual responsibility to bring an independent mind to reading and understanding such releases and reports).
- Reviewing actual and proposed accounting policies for VHP and considering whether these have been consistently applied and adequately disclosed.
- Reviewing significant estimates and judgements made by the Manager in the preparation of VHP financial statements.

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<sup>1</sup> For the purposes of this Charter, an “Independent Director” is an Independent Director in terms of the NZX Listing Rules, being a Director who does not have a “Disqualifying Relationship”.

<sup>2</sup> For this purpose, a member will have an adequate accounting or financial background if he or she is a member of the New Zealand Institute of Chartered Accountants; or has successfully completed a course approved by NZX for audit committee membership; or has the experience and/or qualifications deemed satisfactory to the Board.

### ***External Auditor***

- Reviewing the framework for VHP's relationship with its external auditor, that includes procedures designed:
  - to ensure that the ability and independence of the external auditor to carry out its statutory audit role is not impaired, or could reasonably be perceived to be impaired; and
  - to address what, if any, services (whether by type or level) other than its statutory audit roles may be provided by the auditors to VHP.
- Recommending the appointment and removal of the independent external auditor.
- Reviewing the external auditor's fees.
- Reviewing the performance of the external auditor.
- Ensuring that the external auditor or lead audit partner is changed at least every five years in accordance with relevant audit independence guidelines.
- Ensuring direct communication with, and unrestricted access to, the external auditor and any internal accountants. This includes direct communication with the external auditor, without participation by employees or, where appropriate, Directors who are not Independent Directors.

### ***Other***

- Regularly reviewing and updating the Audit Committee Charter.
- Any other matters the Board may refer to it from time to time which relate to financial reporting.

## **4. AUTHORITY**

- 4.1 The Audit 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 and all employees will be directed to cooperate with any request made by the Audit Committee.
- 4.2 The Audit Committee may obtain legal or other independent professional advice, and may secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary. The Audit Committee may communicate directly with independent professional advisors and third parties without participation by employees or Directors who are not Independent Directors.
- 4.3 The Audit Committee will have no executive powers with regard to findings and recommendations.

## **5. PROCEDURAL REQUIREMENTS**

- 5.1 The Audit Committee is required to meet at least semi-annually or more frequently if required in order to carry out its duties.
- 5.2 The chairperson of the Committee will call a meeting of the Audit Committee if requested to do so by any Committee member, the Manager or by the external auditors.
- 5.3 Minutes of the meetings are to be recorded and circulated to all Directors.

- 5.4 The chairperson of each meeting of the Audit Committee is required to report back to the Board on key points of discussion and present the recommendations of the Audit Committee at the next scheduled meeting of the Board.
- 5.5 Directors and Officers have a standing invitation to attend Audit Committee meetings. Employees may attend on an invitation basis only.