AUDIT AND RISK COMMITTEE CHARTER

1. INTRODUCTION

1.1 The Audit and Risk Committee (“**Committee**”) has been established to assist the Board of Directors ("**Board**") in the conduct of its responsibilities and will report back to the Board on all material matters and issues requiring decisions in principle.

1.2 The establishment of the Committee does not remove from the Board any of its responsibilities and legal obligations.

1.3 Against this background the roles of the Committee as set out in this Charter will apply.

2. AUTHORITY

2.1 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.

2.2 All employees will have access to the Chairman of the Committee at any time.

2.3 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.

2.4 The Committee will obtain the approval of the Board for this Charter and review and reassess this Charter as conditions dictate (which must be at least annually).

3. OVERALL OBJECTIVES

3.1 The overall objectives of the Committee are to:

(a) oversee and appraise the quality of the audits conducted by the internal and external auditors of Tilt Renewables Limited ("**Tilt Renewables**" or the "**Company**") and its wholly owned subsidiaries (being the "**Group**");

(b) maintain open lines of communication among the Board, management and the internal and external auditors, to exchange views and information, as well as confirm their respective authority and responsibilities;

(c) review the financial information presented by management to shareholders, regulators and the general public;

(d) determine the adequacy of the Group’s administrative, operating internal and accounting controls, including the detection and prevention of fraud;

(e) monitor compliance with statutory and regulatory matters relating to financial and corporate reporting;

(f) provide strategic guidance and feedback to the Board and management on the Group's risk management framework; and

(g) assist the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the oversight of the effective management of the Group's material business risks (except for those risks allocated to the HSEC Committee).

4. COMMITTEE MEMBERSHIP AND MEETINGS

4.1 The Committee shall be appointed by the Board from amongst the non-executive directors of the Company, who are independent of management and free from any relationships which might, in the opinion of the Board, be construed as a conflict of interest. For the avoidance of doubt, this does not limit membership of the Committee to independent directors. The Board may terminate an appointment to the Committee at any time.

4.2 The Committee shall consist of not less than three members, at least one of whom must be an independent director. At least one director on the Committee must have significant financial and accounting knowledge and experience.

4.3 The Chairman of the Committee shall be appointed by the Board. The Chairman of the Committee should not also be the Chairman of the Board. The Company Secretary or such other person as nominated by the Board shall act as the Secretary of the Committee.

4.4 A quorum shall be two members, one of whom shall be the Chairman of the Committee.

4.5 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.

4.6 The external auditors will attend meetings unless otherwise requested by the Chairman of the Committee.

4.7 The Committee will hold a minimum of three regular meetings per year, and such additional meetings as the Chairman of the Committee shall decide in order to fulfil its duties. In addition, the Chairman of the Committee is required to call a meeting of the Committee if requested to do so by any Committee member, the Company's Chief Executive Officer, Chief Financial Officer, internal auditors or the external auditors.

4.8 The Committee will provide sufficient opportunity for the internal and external auditors to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the external auditors' evaluation of the Group's financial, accounting and auditing personnel, and the co-operation that the external auditors received during the course of audit.

5. ROLES AND RESPONSIBILITIES

5.1 The roles and responsibilities of the Committee are as follows:

Financial and Corporate Reporting

5.2 The Committee is responsible for ensuring the half yearly and annual Company and Group financial statements fairly state the results for the period and the financial condition of the Company and Group at the date of their issue.

5.3 The Committee will, in performing its responsibility in 5.2 above, consider:

(a) any changes in accounting policies and practices;

(b) major judgmental areas for example valuation of assets, commitments and contingencies;

(c) significant adjustments resulting from the audit;

(d) all significant variances between the figures for the current year and the previous year and between financial reports and management reports for the same period;

(e) any legal matters that could have a significant impact;

(f) the extent to which there are items in dispute with the tax authorities and the adequacy of tax provisions;

(g) the going concern assumption;

(h) complex and/or unusual transactions such as restructuring;

(i) the Group's accounting policies and the application thereof;

(j) generally accepted accounting standards and practice;

(k) whether the reports fairly state the results and financial condition of the Company and Group; and

(l) whether compliance with NZX / ASX requirements, Companies Act 1993, Financial Reporting Act 2013 securities legislation and any other like obligations are met.

5.4 The Committee will meet with management and the external auditors to review the financial statements, the results of the audit and the draft NZX and ASX release.

5.5 Upon completion of the review of the financial statements, the Committee will make recommendations to the Board as to the adoption or otherwise of the statements before release.

5.6 The Committee will review in detail the compliance with solvency test requirements of the Companies Act 1993 prior to making recommendations to the Board regarding distributions to shareholders.

5.7 In the case of preliminary announcements, quarterly operating results, semi–annual financial information, and other releases of information, the Committee shall review such information and consider whether the information is fairly stated and contains adequate and appropriate disclosures.

5.8 The Committee will also review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

5.9 In addition, the Committee shall also review any regulatory reports submitted to the Company and monitor management's response to them.

5.10 The Committee will also be responsible for reviewing and signing off on any representation letters that the Board is asked to sign for the benefit of the auditors.

Internal Control

5.11 The Committee shall evaluate the adequacy and effectiveness of the Group's administrative, operating and accounting controls through active communication with operating management, the internal auditors and the external auditors.

5.12 In addition, the Committee will gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by management.

5.13 The Committee will also monitor the standard of conduct in areas such as arm's length dealings and likely conflicts of interest.

External Audit

5.14 The Committee shall make recommendations to the Board regarding the appointment or discharge of the external auditors and agree external audit fees.

5.15 In addition, the Committee will review and approve the external auditors' proposed audit plan, scope and approach and ensure no unjustified restrictions or limitations have been placed on the plan or scope and agree and sign the audit engagement letter.

5.16 The Committee is required to have a clear understanding with the external auditors that they are ultimately accountable to the Board and that, in their role as the shareholders' representatives, the Committee has the ultimate authority in deciding to engage, evaluate, and if appropriate, terminate their services. The Committee must also review the performance of the external auditors.

5.17 The Committee must evaluate on a tri-annual basis the potential benefits of requesting proposals from qualified audit firms for the provision of audit services for the Group.

5.18 The Committee must consider the independence of the external auditor in accordance with Appendix 1 of this Charter, including reviewing the audit partner rotation and the range of services provided in the context of all consulting services procured by the Group.

5.19 The Committee shall also ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis and also ensure that management responds to recommendations by the external auditors.

5.20 The external auditors will remain responsible to the shareholders for the exercise of their statutory responsibilities to determine that:

(a) the financial statements of the Company and the Group present a true and fair view of the results of and the state of the Company's and the Group's affairs;

(b) proper accounting records have been kept by the Company and the Group; and

(c) the Company and Group financial statements contain the information required by the Companies Act 1993, Financial Reporting Act 2013 and any other applicable statutes or regulations.

5.21 The Committee shall also arrange meetings with external auditors on matters arising from reports received on the external financial statements. This will normally take the form of a joint meeting comprising management, the external auditors and the Committee.

Internal Audit

5.22 The Committee shall review and approve management's appointment, termination, or replacement of internal audit service providers.

5.23 The Committee shall review and approve the annual internal audit plan and scope of internal audit activities and review the activities of the internal audit function and ensure no unjustified restrictions or limitations are imposed by management.

5.24 The Committee shall also receive, on a regular basis, a summary of findings from completed internal audit work and a progress report on the internal audit plan, with explanations for any deviations from the plan.

5.25 The Committee is also responsible for reviewing management's progress on implementing agreed actions arising from internal audit reviews. The internal auditors will remain part of the management process. Their tasks and responsibilities will, where necessary, be identified in conjunction with the external auditors.

Other Audits and Assurance Activity

5.26 The Committee will also review and monitor assurance activities undertaken internally or by external parties. For example, ISO audits, Australian Energy Market Operator audits and Electricity Authority audits.

Risk Management

5.27 The Committee is responsible for reviewing and monitoring the effectiveness of Tilt Renewables' Enterprise Risk Management framework and the maintenance of an appropriate risk culture within Tilt Renewables and the Group. They must also review risk capacity and exposure limits (risk tolerance) and the alignment of the Group's risk profile within limits set by the Board.

5.28 The Committee must review the Group's material business risks and management of these risks as well as overseeing key risk-related processes and functions, such as the Group insurance programme and business continuity management.

5.29 In carrying out these responsibilities, the Committee will:

(a) review with management on a quarterly basis and with the internal auditor and external auditors on at least an annual basis, the significant risks within theGroup's Risk Registers and review how they have been assessed and managed;

(b) assess the effectiveness of the related system of internal control in managing the significant risks, having regard, in particular, to any significant failings or weaknesses in internal control that have been reported;

(c) consider whether necessary actions are being taken promptly to remedy any significant failings or weaknesses;

(d) consider whether the findings indicate a need for more extensive monitoring of the system of internal control;

(e) review accounting and financial human resources and succession planning within the Group;

(f) review the adequacy of insurance at each insurance renewal and recommend to the Board any significant changes to insurance cover; and

(g) consider the adequacy of business continuity planning.

6. REPORTING RESPONSIBILITIES

6.1 The Committee must regularly update the Board about activities of the Committee and make appropriate recommendations. They must also ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

7. INDUCTION AND CONTINUOUS DEVELOPMENT

7.1 The Committee will ensure that it, and the Board, are informed about emerging audit and financial reporting trends and evolving best practice for internal controls and risk management systems.

7.2 The Committee will be provided with a director development programme for the induction of new Board members and the continuous development of existing Board members. In addition, the Committee may obtain further information from external specialists if and as required.

8. OTHER

8.1 The Committee shall also perform other oversight functions as requested by the Board.

8.2 The Committee will evaluate the Committee's own performance on an annual basis.

Date

Appendix 1

EXTERNAL AUDIT INDEPENDENCE POLICY

1. OBJECTIVE

1.1 The objective of this policy is to ensure that audit independence is maintained, both in fact and appearance, such that Tilt Renewables' and the Group's external financial reporting is viewed as being highly reliable and credible.

1.2 Oversight of Tilt Renewables' and the Group's external audit arrangements is the responsibility of the Committee. Ensuring that external audit independence is maintained is one of the key aspects in discharging this responsibility as set out in paragraph 5.18 of this Charter. This formal policy on audit independence has been adopted by the Committee to meet this requirement.

2. BACKGROUND

2.1 This policy is based on “PROFESSIONAL AND ETHICAL STANDARD 1 (Revised) Code of Ethics for Assurance Practitioners (PES1)” issued by the New Zealand Auditing and Assurance Standards Board of the External Reporting Board pursuant to section 24(1)(b) of the Financial Reporting Act 1993 ("**Assurance Code of Ethics**"). This standard was revised in February 2014 and became effective 1 January 2014.

2.2 The Assurance Code of Ethics described above states that some non-audit services do impair independence, some non-audit services could impair independence if appropriate safeguards are not applied to eliminate or reduce the threat to an acceptable level and other non-audit services do not impact upon independence.

2.3 This policy covers the following areas:

(a) provision of non-audit services by Tilt Renewables' external auditors;

(b) fees and billings;

(c) the hiring of staff from the audit firm; and

(d) the audit team.

3. PROVISION OF NON-AUDIT SERVICES

3.1 Tilt Renewables' external auditors should not:

(a) undertake any role not permitted under the Assurance Code of Ethics;

(b) audit their own work; or

(c) function as management.

3.2 A summary of the Assurance Code of Ethics is **attached** as Appendix 2.

3.3 The auditors are required to confirm their independence to the Committee annually.

4. FEE AND BILLINGS

4.1 All audit and non-audit fees are to be reported to the Committee annually.

4.2 Non-audit fees greater than $25,000 should be reviewed by the Company Secretary and reported to the Committee for approval.

5. HIRING OF STAFF FROM THE AUDIT FIRM

5.1 The hiring by Tilt Renewables of any Partner or audit manager of the audit firm must first be approved by the Chairman of the Committee.

5.2 There are no other restrictions on the hiring of other staff from the audit firm.

6. EXTERNAL AUDIT TEAM

6.1 No member of the audit team shall:

(a) own shares in Tilt Renewables either directly or indirectly through another vehicle (eg trust) over which they have control or influence;

(b) be a close relative of any employee of Tilt Renewables who is in a management position;

(c) remain on the audit team in excess of seven years unless approval is given by the Committee Chairman; or

(d) transact with Tilt Renewables in a personal capacity unless that transaction is immaterial and routine.

6.2 Tilt Renewables' audit fee cannot be in excess of 15% of the audit firm’s total revenue.

Appendix 2

SUMMARY OF CODE OF ETHICS – INDEPENDENCE IN ASSURANCE ENGAGEMENTS

The framework is based around the consideration of the various types of threats to independence and then the safeguards, if any, that can be put in place to mitigate the threats.

This summary sets out the overriding framework of the Assurance Code of Ethics as well as giving examples of the safeguards needed in certain circumstances.

Possible threats to objectivity and independence are identified as:

- The self-interest threat: for example, auditors benefiting by having a financial interest in their clients, potential employment or contingent fees.
- The self-review threat: for example, auditing the auditors own work and preparing material source financial data.
- The advocacy threat: for example, being a promoter of the audit client's shares or acting as a legal advocate.
- The familiarity or trust threat: for example, family relationships and long association of senior team members.
- The intimidation threat: for example, fee pressures and threat of replacement.

Generally, the auditors must consider the possibility of these threats arising and, where such threats are considered to exist, they must put in place appropriate safeguards to eliminate or reduce the threats to an acceptable level, which may include declining to perform the service.

The following table gives a guideline of what auditors should and should not do and where safeguards should be put in place.

Bookkeeping	Prohibited for listed audit clients, other than in emergency situations. Generally, only permitted for non-listed audit clients where routine or mechanical in nature and staff are not involved in the audit. Managerial decision making prohibited.
Valuations	Prohibited if material to the financial statements and significantly subjective, otherwise permitted with safeguards.
Tax Services	Generally, not seen to threaten independence.
Internal Audit Services	Generally permitted provided the Company takes responsibility for the internal controls and for evaluating findings.
Provision of IT Systems	Design and implementation of financial IT systems prohibited unless the Company acknowledges its responsibility, makes all management decisions and other safeguards are in place.
Secondments to audit clients	Permitted with safeguards. No management decision making, signing agreements or discretionary authority to commit the client is allowed.
Litigation Support Services	Permitted with safeguards.
Legal Services	Legal services permitted where immaterial to the financial statements. Services in execution of a transaction (i.e. contract support, legal advice and due diligence/restructuring) are acceptable with safeguards. Acting in a litigation advisory role prohibited on a matter, which is material to the financial statements. Appointment as General Counsel is prohibited.
Executive Search and Selection	Permitted with safeguards. Making selection for the Company prohibited.
Corporate Finance	Permitted with safeguards. Promoting, dealing in or underwriting the Company's securities is prohibited.

The safeguards put in place will be specific to the circumstances of each case. The general rule to be applied is whether an independent third party would consider the safeguards reasonable.