

## Corporate Governance Statement

Ambertech Limited (AMO) is committed to maintaining high standards of corporate governance. The Board believes this promotes stakeholder confidence, including shareholders, customers, employees, and regulators.

AMO has established a framework of policies which provide prudent risk management and a culture which encourages ethical conduct, accountability, and sound business practices.

This report outlines AMO's principal governance arrangements and practices. It is current as of 28 October 2021 and has been approved by the Board.

Our governance arrangements have been consistent with the fourth edition of the ASX Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council throughout the reporting period.

This statement reports compliance with the fourth edition.



More information on AMO's corporate governance, including a copy of this statement and our Appendix 4G can be found on the AMO website at [www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

## Laying Solid Foundations for Management and Oversight

### The Role of the Board

The Board is committed to promoting long-term value and is accountable to shareholders for the performance of AMO. The AMO Constitution governs the Board's conduct. The AMO Board Charter details the Board's role and responsibilities.

The AMO Board Charter contains information about the respective roles and responsibilities of the Board and management, including those matters expressly reserved to the board and those delegated to management.

### Board Committees

The Board has established two committees to assist it in discharging its role and responsibilities:

- Audit and Risk Management Committee
- Remuneration & Nomination Committee.

The role and responsibilities of the committees are set out in each Board Committee Charter and are summarised in this corporate governance statement.



The AMO Board Committee Charters can be found on the AMO website at

[www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

### Responsibilities of Management

The Board has delegated matters to management, subject to financial and other limits.

The Managing Director (MD) has been delegated authority for matters that are not reserved to the Board or delegated to Board Committees. The MD ensures the Board is provided with accurate and sufficient information on the AMO's operations and achievement towards strategic goals of AMO.

The MD is supported by the Chief Operating Officer (COO) and other executives who regularly attend and present at Board meetings.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, is outlined in the Ambertech Board Charter.



The AMO Board Charter can be found on the AMO website at

[www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

### Nomination and Appointment of Directors

New directors will be recommended to the Board by the Nomination and Remuneration Committee. The Board will assess the suitability of new directors against criteria which include experience, ability to exercise independent judgment, professional skills, potential conflicts and the requirement for independence.

New directors must complete the new director induction program before commencement of duties.

AMO provides shareholders information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision.

### Director Election and Board Renewal

The Board, in conjunction with the Remuneration and Nomination Committee, regularly reviews its succession plans. At the Company's Annual General Meeting, one-third of the directors (rounded down) must retire from office and are eligible to stand for re-election. If a director (other than the Managing Director) at the conclusion of the AGM will have been in office for 3 or more years and for 3 or more annual general meetings since last elected to office, they must retire from office. A retiring Director is eligible for re-election.

David Swift will retire by rotation in 2021 and will stand for re-election at the 2021 AGM.

### Diversity

AMO's Board and workforce are comprised of individuals with a range of skills, backgrounds, and experiences. AMO values diversity and inclusion and recognises the organisational capabilities and business performance these bring.

AMO has adopted a Diversity Policy which describes how AMO promotes diversity. The Board’s Remuneration and Nomination Committee sets measurable objectives for achieving gender diversity and assesses the objectives and the company’s progress towards achieving them on an annual basis.

AMO does not currently have a gender target for Board membership. The gender target for senior executives is 20%, for the whole organisation is 20%, and for non-industry technically trained staff the gender target is 40%.

AMO will be required to disclose its performance against gender equality indicators in its Annual Report to the Workplace Gender Equality Agency.



The AMO Diversity Policy can be found on the AMO website at

[www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

### Performance Assessments

The Chairman undertakes a regular performance evaluation for the board, its committees, and directors. The Chairman meets privately with each director to discuss assessments. The review of the Chairman’s role is conducted by the Chair of the Audit and Risk Management Committee after obtaining feedback from each individual director.

In FY21, the performance review process was supported by a confidential survey completed by each director and senior executive management. The results of those surveys were discussed and are considered when recommending directors for re-election.

Performance assessments for senior executives, other than the Chief Operating Officer (COO), are the responsibility of the Managing Director (MD). Assessment of the MD, COO and other senior executives occur as part of an annual review process. Assessments consist of formal meetings to discuss performance against set KPIs which are based on company performance targets and vary according to the roles and responsibilities of the executive. At the same time, these KPIs are aligned to reflect the common corporate goals such as growth in earnings and shareholders' wealth, and achievement of working capital targets.

A performance evaluation has taken place during the reporting period in accordance with the process described above.

## Structure of the Board to be effective and add value

### Board Composition

The Board currently comprises five directors. This includes four non-executive directors and one executive director, being the MD.



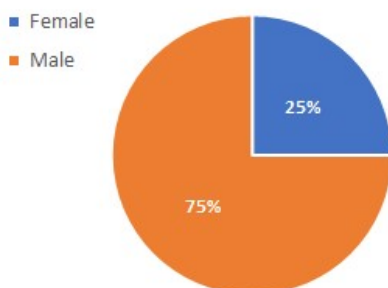
Director biographies are published on the AMO website at

[www.ambertech.com.au/company/board-of-directors](http://www.ambertech.com.au/company/board-of-directors)

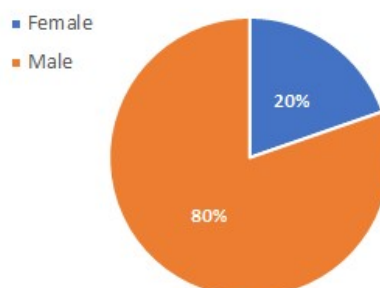
### Chairman

The Chairman of AMO, Peter Wallace, is an independent, non-executive director. Mr Wallace was appointed as a director in February 2000 and was elected as Chairman in October 2002

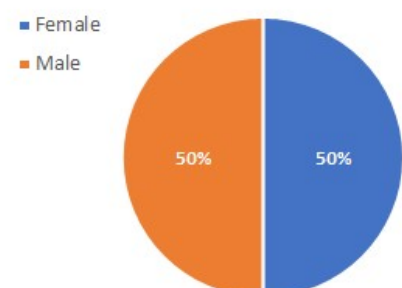
Gender Diversity - Senior Executives



Gender Diversity - All Staff



Gender Diversity - Non-Industry Specific



The Chairman’s role is to lead the Board. His responsibilities include chairing Board meetings and facilitating open and effective communication at those meetings, including with management.

The roles of the Chairman and MD are separate and are not performed by the same person.

### Director Skills and Experience

AMO Board members have extensive industry experience that bring to the Board their specific skills for the company to achieve its strategic, operational and compliance objectives.

Their suitability to the directorship has been determined primarily based on their ability to deliver outcomes in accordance with the company’s short and longer-term objectives and therefore deliver value to shareholders.

The AMO Board does not maintain a formal skills matrix, however all Board members are expected to be able to demonstrate the following attributes:

### Director Independence and tenure

AMO recognises that having a majority of independent directors helps to ensure that the decisions of the Board reflect the best interests of AMO and its shareholders generally, and that those decisions are not biased towards the interest of management or any other group. AMO also considers that having a majority of independent directors supports the Board to challenge and hold management to account.

In assessing whether a director is considered to be independent, the AMO Board has taken a view that independence extends to non-executive directors with less than 10% of issued capital, where that director is not the major shareholder, and where no ongoing services are being provided to the Company by the director or related entities.

On this basis, 3 out of 5 directors are “independent”. At the date of signing the Directors’ report, the Board comprises three independent directors, (Mr Peter Wallace, Mr Tom Amos and Mr David Swift) and two non-independent directors (Mr Peter Amos and Mr Santo Carlini).

AMO has not adopted a limit on director tenure. The length of service of each director is as follows: Mr Peter Wallace (18 years); Mr Peter Amos (38 years); Mr Thomas Amos (23 years); and Mr David Swift (23 years) and Mr Santo Carlini (2 years).

Attribute	Description
Leadership	Represents the company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered; leads others to action; proactive solution seeker
Ethics and Integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate Governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks

## Conflicts of Interest

Directors are required to disclose all interests that may conflict with their duties. If a director has a material personal interest in a matter being considered by the Board, they must not be present during the consideration of that matter or vote on the matter (unless approved by other directors who do not have a material personal interest in the matter).

## Access to Information and advice

Directors have unrestricted access to all staff and all relevant records of AMO they consider necessary to fulfil their obligations (including the external auditor without management present). They also have the right to seek explanations and additional information from management and auditors.

Directors are also entitled, with the approval of the Chairman, to obtain independent professional advice at AMO's expense relating to their role as an AMO director.

Instil a Culture of acting lawfully,  
ethically and responsibly

AMO is committed to conducting business in an open and accountable way. We believe that lawful, ethical, and responsible business practices are a driver of shareholder value.

AMO has developed a set of values. We value:

- **Safety and the Environment** — An overriding commitment to health, safety, environmental responsibility and sustainable development.
- **Integrity** — Including doing what we say we will do.
- **High Performance** — The excitement and fulfilment of achieving superior business results and stretching our capabilities.
- **Win-Win Relationships** — Having relationships which focus on the creation of value for all parties.
- **The Courage to Lead Change** — Accepting the responsibility to inspire and deliver positive change in the face of adversity.
- **Respect for Each Other** — The embracing of diversity, enriched by openness, sharing, trust, teamwork and involvement.

AMO has developed a broad code of conduct for all staff which operates in conjunction with a strong network of company policies to ensure all personnel act with integrity, objectivity and in compliance with the letter and the spirit of the law and company policies. The code applies to all employees within the company from the Board, through management to all other staff.

The code encourages all staff and other stakeholders to report any breaches of the code to the Chairman of the Board, who is required to investigate and report on all such matters. AMO is developing a Whistleblower Policy, and an Anti-Bribery and Corruption Policy, however, AMO has relied on the use of the code of conduct for reporting of matters of concern.

The Code of Conduct is supported by more detailed policies setting out the philosophy of the company in relation to its various stakeholders.



The AMO Code of Conduct can be found on the AMO website at

[www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

## Securities Trading

AMO has adopted a Securities Trading Policy that restricts dealing in AMO securities. This policy applies to directors and all employees. The policy documents the procedure for dealing in AMO securities and is designed to help prevent directors and employees from contravening laws on insider trading.

Derivatives and hedging arrangements for unvested AMO securities, or vested AMO securities subject to a holding lock, are prohibited.



The AMO Securities Trading Policy can be found on the AMO website at

[www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

## Safeguard the integrity of Corporate Reports

AMO believes that accurate and timely corporate reporting underpins effective risk management and is key to executing AMO's strategy. The Board is responsible for overseeing that appropriate monitoring and reporting mechanisms are in place. It is supported in this regard by the Audit and Risk Management Committee. The role of the Audit and Risk Committee in safeguarding the integrity of AMO's corporate reporting includes reviewing AMO's financial reports and the adequacies of corporate reporting processes.

Members of the Committee are Tom Amos (Chairperson) and Peter Wallace, each of whom is a non-executive director with appropriate financial and business expertise to act effectively as a member of the Audit and Risk Management Committee.

The Committee consists of only two members as the Board considers this to be the most efficient structure for this committee given the current size of the Board.

The Audit and Risk Management Committee met five times during the reporting period. The Audit and Risk Management Committee has direct access to any employee, the auditors or any other independent experts and advisers, as it considers appropriate to ensure that its responsibilities can be carried out effectively.



The AMO Audit and Risk Management Committee Charter can be found on the AMO website at [www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

### Integrity of Financial Reporting

Before it approves the financial statements for the half-year and full year, the Board receives a statement from the MD and Chief Operating Officer (COO) consistent with the requirements of the Corporations Act 2001. These statements are made after the MD and COO receive attestations from executives regarding their respective areas of responsibility. The Board also receives a statement from the MD and COO that AMO's

risk management and internal control systems are operating effectively for the management of material business risks.

### External Auditor

AMO has appointed BDO Audit Pty Ltd (**BDO**) as its external auditor. The appointment was approved by shareholders at the 2020 AGM. Among its key responsibilities, BDO reviews AMO's financial reporting and provides an opinion on whether AMO's financial report gives a true and fair view of AMO's financial position and financial performance, and whether it complies with Australian Accounting Standards and the Corporations Regulations 2001.

BDO's lead partner will attend the 2021 AGM to answer questions in relation to the external audit.

### Periodic Corporate Reports

AMO has established a Continuous Disclosure Committee which makes disclosure decisions, oversees the drafting of announcements and approves announcements. The Committee members include the Chairman and the Company Secretary. AMO's Continuous Disclosure Committee approves all ASX announcements, other than administrative announcements of the type set out in the Continuous Disclosure Policy.

Where AMO's Continuous Disclosure Committee has determined that information will be publicly disclosed, one or more Committee members oversee the preparation of that announcement. The Committee is responsible for satisfying itself that the content of any announcement is accurate and not misleading, and is supported by appropriate verification.

## Make timely and balanced disclosures

### Continuous Disclosure

The Chairman and Company Secretary are responsible for communications with the ASX and ensuring compliance with the continuous disclosure requirements in the ASX listing rules. Management is responsible for ensuring that all potential corporate information that could materially affect the price or



value of the company's shares is brought to the attention of the Chairman or Company Secretary immediately it becomes known. This information is then assessed in liaison with the Board and management in regard to ASX listing rule requirements.

The company has a shareholder communications policy which recognizes the value of providing current and relevant information to shareholders. All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX and remains available to shareholders for at least two years. The current and historical share price details are also available on the website.

All shareholders have the option to receive a hard copy of the Annual Report. The company does provide the opportunity for shareholders to receive the Annual Report through electronic means.



A copy of the Annual Report can be found on the AMO website at

[www.ambertech.com.au/company/annual-reports](http://www.ambertech.com.au/company/annual-reports)

## Respect the rights of security holders

### Shareholder engagement and provision of information

AMO provides information about AMO and its governance practices on its website, including this Corporate Governance Statement (and Appendix 4G), ASX's Constitution, Board and Committee Charters and key governance policies, as well as the qualifications, skills and backgrounds of its directors and senior executives. AMO also makes available on its website copies of its Annual Reports, market announcements, notices of meeting, and copies of presentations delivered to investors or analysts.

AMO has a section of the website dedicated to Corporate Governance and is committed to communicating promptly, accurately and in plain language with shareholders. This commitment is detailed in AMO's Continuous Disclosure and Communications Policy.

All market announcements (including financial results and Annual Reports) are published on AMO's website after they have been released on the ASX market announcements platform. AMO also publishes media releases and other relevant information on its website.

We encourage shareholders to participate in shareholder meetings and we deal with shareholder enquiries fairly and respectfully.



Further information about AMO's governance practices, including its Continuous Disclosure and Communications Policy can be found on the AMO website at

[www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

### Investor Engagement

AMO has an investor relations program to facilitate effective two-way communication with the investment community. It involves engagement throughout the year via both scheduled and ad hoc interactions with shareholders and potential investors, analysts, and advisers. The program seeks to provide information that is timely, of a high quality and relevant to shareholders' investment in AMO. Feedback from investor engagement, reports prepared by analysts and brokers and additional relevant information is regularly reviewed and reported to the Board as appropriate.

### Annual General Meeting

The 2021 AGM is an opportunity for shareholders to hear from and to put questions to the Board and external auditor. Detailed information about how shareholders can participate in the 2021 AGM is set out in the Notice of Annual General Meeting published on our website.

Shareholders can submit written questions to AMO in advance of the meeting. Details about how to do so are contained within the Notice of Meeting. These questions and comments are typically addressed at the meeting through the Chairman or MD speeches.

All substantive resolutions put to the 2021 AGM are to be decided by way of a poll. This is to support the principle of 'one share, one vote'.

## Shareholder Communications

AMO encourages shareholders to receive communications electronically. Electronic communication allows AMO to communicate with shareholders quickly and reduces AMO's paper usage.

AMO emails shareholders when important information becomes available such as financial results, dividend statements, notice of meetings, voting forms and Annual Reports. Shareholders who receive postal communications from AMO can log into [www.investorserve.com.au](http://www.investorserve.com.au) to provide their email address and elect to receive communications electronically.

## Recognise and manage risk

The Board recognises that effective risk management is critical to maintaining AMO's reputation.

### Division of Responsibilities

The Board's responsibilities regarding risk management include:

- Setting AMO's risk strategy and risk appetite
- Overseeing systems of risk management and internal control and compliance
- Overseeing process for identifying significant risks facing AMO
- Satisfying itself that appropriate controls, monitoring, and reporting mechanisms are in place.

Management executes the Board-approved strategy and manages AMO's operations within the Board-approved risk appetite. Management is responsible for identifying, monitoring, mitigating, and reporting on risks.

### Audit and Risk Management Committee

The AMO Board has established an Audit and Risk Management Committee responsible for ensuring that:

- reporting on the financial and other performance indicators for the Company meets all applicable legislative and accounting standards;
- the Company's control and accountability systems are robust;
- the Company identifies and monitors major risks as well as reviewing and ratifying systems of risk management, and internal compliance and control; and
- governance policies of the Company comply with all relevant legislation.

Members of the Committee are Tom Amos (Chairperson) and Peter Wallace, each of whom is a non-executive director with appropriate financial and business expertise to act effectively as a member of the Audit and Risk Management Committee.

The Committee consists of only two members as the Board considers this to be the most efficient structure for this committee given the current size of the Board.

The Audit and Risk Management Committee met five times during the reporting period. The Audit and Risk Management Committee has direct access to any employee, the auditors or any other independent experts and advisers, as it considers appropriate to ensure that its responsibilities can be carried out effectively.



The AMO Audit and Risk Management Committee Charter can be found on the AMO website at [www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)

### Risk Management Framework

AMO's COO has day-to-day responsibility for the implementation of the risk management framework. The Audit and Risk Committee receives reports in respect of, and reviews components of, AMO's enterprise risk management framework on a regular and ongoing basis.

The Board reviews the company's risk management framework at least annually to ensure that it is still suitable to the company's operations and objectives and that the company is operating within the risk parameters set by the Board.



As a consequence of the last review undertaken for the year ended 30 June 2021, the AMO Securities Trading Policy was updated, and a copy released via the ASX market announcements platform on 27 September 2021.

### Internal Audit

AMO does not have a dedicated internal audit function.

The responsibility for risk management and internal controls lies with both the Managing Director and Chief Operating Officer who continually monitor the company's internal and external risk environment.

Necessary action is taken to protect the integrity of the company's books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguard of company assets.

### Economic, Environmental and Social Risks

The management of AMO and the execution of its growth strategies are subject to several risks which could adversely affect AMO's future development.

The following is not an exhaustive list or explanation of all risks and uncertainties associated with the company (and its subsidiaries), but those considered by management to be the principal material risks:

Risk Area	Description
Customer base	The company needs to continue to grow market share in some verticals. In order to achieve this the company has a growth strategy that encompasses both organic and acquisition growth. The company's strategy also requires existing customers to make repeat purchases of products. If these strategies fail, the revenue may be reduced which could have an adverse effect on the financial results.
Inventory	The consumer electronics industry is a fast moving industry and the rate of technological change is high. This results in a risk of inventory management and obsolescence. This risk has been mitigated by an inventory module of the management information system that provides 'real time' information on stock turn and identification of slow moving inventory. This has assisted in clearing inventory before it becomes completely obsolete.
Financial risk	The company is exposed to financial risks such as foreign currency risk and interest rate risk. Refer to the 'Financial Instrument' note to the financial statements for further information on these risks and how they are managed.
Loss of people	The company's senior executive team is instrumental in implementing the company's strategies and executing business plans which support the business operations and growth. The risk of the loss of key personnel is mitigated by regular reviews of remuneration packages (including short and long term incentive schemes) and succession planning within the team.
Equal opportunity	The company is committed to an active equal opportunities policy. It is the company's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of the employees and the needs of the company.
Disabled employees	Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees
Environmental, corporate and social responsibilities	The company's approach is to make a positive difference to the people, environment and communities in which it works.

## Remunerate fairly and responsibly

The Board has established a Remuneration and Nomination Committee. The committee met a total of two times during the reporting period. The members of this committee at the date of this report are Mr Peter Wallace (Chair) Mr David Swift.

The Committee consists of only two members as the Board considers this to be the most efficient structure for this committee given the current size of the Board.

Under its Charter, the Remuneration and Nomination Committee has unrestricted access to all staff and relevant records of AMO it considers necessary to fulfil its obligations. It also has the right to seek explanations and additional information from management and auditors. The Committee Chair may directly seek independent professional advice at AMO's expense as required for the Committee to fulfil its responsibilities.



The AMO Remuneration and Nomination Committee Charter can be found on the AMO website at [www.ambertech.com.au/company/corporate-governance](http://www.ambertech.com.au/company/corporate-governance)