

**Ambertech Limited**  
**Audit & Risk Management Committee Charter**



**1. Purpose**

The Ambertech Audit and Risk Management Committee (“the Committee”) has been established by the board of directors (“the Board”) to assist in addressing its corporate governance responsibilities in relation to financial reporting, internal control system, risk management system and the external audit functions.

This document formalizes the terms of reference for the Committee specified by the Board, including the objectives, duties and responsibilities of the Committee.

**2. Role**

The primary objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities relating to the accounting, accountability, risk management and reporting practices of the Company and each of its subsidiaries (“the Group”).

**3. Objectives of the Committee**

The objectives of the Committee include:

- 3.1 Ensuring compliance with applicable laws, regulations, standards and best practice guidelines.
- 3.2 Reviewing internal processes to ensure accountability, objectivity and credibility of financial reporting.
- 3.3 Enabling the Board of Directors to consider and review in sufficient depth financial, public reporting, accountability and related risk issues arising for the Company.
- 3.4 Monitoring the independence of the external auditor.
- 3.5 Fostering an ethical culture throughout the Group.

**4. Committee Composition**

- 4.1 The Committee will comprise a minimum of two and maximum of three non-executive directors.
- 4.2 The Chairman of the Board shall not be the Chairman of the Committee.
- 4.3 The Managing Director shall not be a member of the Committee.
- 4.4 Members of the Committee shall be appointed by the Board with reference to their relevant financial and business experience.
- 4.5 Members of the Committee will be appointed for a minimum term of 2 years and a maximum of 3 years, after which they will be eligible for re-appointment. The terms of the appointments shall be staggered to ensure sustained impetus of the Committee’s operations.
- 4.6 Changes in membership and re-appointments require formal Board approval.

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**5. Meetings and Attendees**

- 5.1 The Committee shall meet a minimum of three times each year. However, the number of meetings scheduled, and their timing, will depend upon the range and complexity of issues confronting the Committee. The timing of meetings should give consideration to factors such as risk issues, the budget cycle, financial reporting cycle and the timing of Board meetings.
- 5.2 The following procedures shall apply to the meetings:
- 5.2.1 There shall be a formal agenda and minutes to record the proceedings.
  - 5.2.2 A quorum will require two Committee members.
  - 5.2.3 Only Committee members and invited guests may attend committee meetings. Invited guests may include but are not limited to senior management and external auditors.
  - 5.2.4 Decisions shall be determined by majority vote, but dissenting votes shall be reported to the Board. The chairman shall not have a casting vote. Minutes of meetings shall be circulated to the Board and to the external auditors.

**6. Responsibilities of the Committee**

The Committee shall:

- 6.1 In relation to reporting, review the half-year (where applicable) and annual financial statements with the Chief Financial Officer and external auditors, and make recommendations to the Board having regard for:
- 6.1.1 Application of and changes in accounting policies and practices.
  - 6.1.2 Significant estimates and judgments.
  - 6.1.3 Actual and potential adjustments resulting from the external audit.
  - 6.1.4 The going concern assumption.
  - 6.1.5 Compliance with applicable accounting standards.
  - 6.1.6 Compliance with ASX and Corporations Law requirements.
- 6.2 In relation to internal control and risk management:
- 6.2.1 assess the internal processes for determining and managing key risk areas, particularly:
    - (i) Non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws.
    - (ii) Important judgments and accounting estimates.
    - (iii) Litigation and claims
    - (iv) Fraud and theft
    - (v) Other relevant business risks
  - 6.2.2 Ensure that the entity has an effective risk management system and that macro risks to the entity are reported at least annually to the board.
  - 6.2.3 Address the effectiveness of the entity's internal control system with management and the external auditors.
  - 6.2.4 Assess the effectiveness of and compliance with the corporate code of ethical conduct.

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- 6.2.5 Review and monitor related party transactions
- 6.3 In relation to the external audit:
  - 6.3.1 Make recommendations to the board on the appointment, remuneration, and monitoring of the effectiveness and independence of the external auditor.
  - 6.3.2 At the start of each audit, agree the terms of the engagement with the external auditor.
  - 6.3.3 Enquire of the auditor if there have been any significant disagreements with management irrespective of whether they have been resolved.
  - 6.3.4 Review all representation letters signed by management and ensure that the information provided is complete and appropriate.
  - 6.3.5 Provide the opportunity for the committee members to meet with the external auditors without management personnel being present at least once a year.
  - 6.3.6 Review the external auditor's independence based on the external auditor's relationships and services with the entity and other organizations that may impair or appear to impair the external auditor's independence.