

ADSLOT LIMITED

AUDIT & RISK COMMITTEE CHARTER

1.0 Introduction

The Board of Adslot Limited (**Adslot or the Company**) has established an Audit and Risk Committee (“the Committee”). Audit and Risk Committees have a key role in assisting the Board to fulfill its corporate governance objectives in relation to financial reporting, internal controls, risk management and audit.

This Charter governs the scope, composition and conduct of this Committee.

2.0 Purpose

The primary purpose of the Committee is to provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company’s financial reporting, internal control structure, risk management systems and internal and external audit functions.

The Committee will ensure that it understands the Company’s business, structure, controls and types of transactions in order to adequately assess the risks faced by the Company in its internal and external operating environments.

3.0 Duties and Responsibilities

The duties and responsibilities of the Committee shall include the following:

3.1 Financial Reporting

- a) reviewing and assessing the adequacy and effectiveness of the Company’s corporate reporting processes internal control framework, including the accounting and financial controls;
- b) whether the Company’s financial statements reflect the understanding of the committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company;
- c) the appropriateness of the accounting judgements or choices exercised by management in preparing the entity’s financial statements;
- d) reviewing the accounting policies adopted by management and ensuring appropriate application of Australian accounting standards with particular attention to significant changes to accounting policies and practices, major areas requiring judgment, material audit adjustments and related party transactions;
- e) reviewing and approving published financial statements, including the annual statutory financial statements and the ASX Appendices at both half year and full year, prior to submission to the Board for approval;
- f) reviewing and approving other externally published financial information that requires approval by the Board; and
- g) reviewing all representation letters signed by management to ensure that the information is complete and appropriate.

3.2 External Audit

- a) obtaining engagement letters from the auditors, covering both half yearly ASX reporting and full year ASX and statutory reporting, which confirm the acceptance of appointment and the objective and scope of their work;
- b) reviewing reports from auditors (including auditor’s reports, closing reports and management letters);

- b) reviewing the auditors fee and scope and ensuring that a comprehensive and complete audit is being conducted for the agreed fee;
- c) reviewing the auditors independence including the appropriate rotation of the lead external audit engagement partner;
- d) reviewing the effectiveness and performance of the auditors from time to time including assessing the quality and effectiveness of the audit conducted and evaluating the auditor's expertise; and
- e) recommending to the Board, when required, the appointment, re-appointment and replacement of external auditors.

The Committee will be required to approve all non-audit services provided by the external auditor to ensure that the judgment and independence of the auditor will not be impaired.

3.3 Internal Audit

Assessing and determining whether an internal audit function is required.

Subject to the implementation of an internal audit function, the Committee will be responsible for:

- a) assessing and reviewing the overall effectiveness and performance of the internal audit function including objectives, competence and resourcing;
- b) reviewing and approving the annual internal audit plan and work program;
- c) recommending to the Board the appointment (and where appropriate, the replacement) of the internal auditor and the terms of their engagement if the internal audit function is to be provide by an external party;
- d) overseeing the co-ordination and progress of the internal audit work program and monitor management's responses to, and implementation of, the recommendations and findings identified; and
- e) reviewing the relevant disclosures, in relation to each reporting period, relating to the structure and performance of the internal audit function.

3.4 Risk Management

- a) overseeing that management carries out its risk management roles in light of guidance from the Board and within the risk appetite set by the Board;
- b) reviewing and assessing the adequacy and effectiveness of the Company's risk management system for identifying business risks, including the conduct of its legal and compliance programs;
- c) regularly reviewing the status of identified business risks and management's adherence to published risk management practices;
- d) regularly reviewing and updating the risk profile and disclosing any material change to the risk profile, including regular review of existing risks and the identification of new and emerging risks facing the Company, including financial and non-financial matters;
- e) monitoring management's performance against the Company's risk management framework, including whether it is operating within the risk appetite set by the Board; and
- f) considering material exposure to environmental or social risks and review annually.

3.5 Other Responsibilities

- a) overseeing the implementation of the Company's corporate code of conduct, for employees and directors, and assessing compliance;
- b) overseeing the implementation of the Company's Whistleblower and Anti-Bribery and Corruption policies, and assessing compliance;

- c) assessing and recommending to the Board for adoption the scope, cover and cost of insurance, including insurance relating to directors' and officers' liability, professional indemnity, crime and cyber security; and
- d) where it considers appropriate, investigating any complaint of allegation made to it.

The Committee should be immediately informed of all legal and other complaints made against the Company.

4.0 Membership

The Membership of the Committee shall be comprised of at least three members of the Board. A majority of the members shall be non-executive directors that have diverse, complimentary backgrounds. All members shall be financially literate or be made financially literate within a reasonable period of time after appointment.

The Chair of the Committee shall be a non-executive independent director, other than the Chair of the Board, and shall be appointed by the Board. The Chair should have a strong finance, accounting and/or business background.

The Secretary to the Board shall be the Secretary to the Committee.

Non-Committee members may attend meetings by invitation including other directors, the Chief Executive Officer, Chief Financial Officer, external auditors and other specialists as deemed appropriate by the Committee.

5.0 Committee Meetings

The Committee will meet at least two times each year. Additional Committee meetings may be convened as the Chair of the Committee considers necessary, taking into account requests from any member.

A quorum for meetings will be two members.

Members may attend Committee meetings in person or participate by videoconference or other electronic means. Committee decisions may be made by circular or written resolution. A circular or written resolution signed by all members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each signed by one or more members. The expression "written" includes email or other electronic means.

Notice of Committee meetings will be provided to directors of the Board who are not members and such directors may attend Committee meetings.

Notice of Committee meetings will also be provided to the Chief Executive Officer, the Chief Financial Officer, and any other relevant attendees as identified by the Chair of the Committee from time to time. Other members of management and advisers may be invited to attend meetings, as the Chair of the Committee thinks fit. The internal auditor and/or the external auditor will be required to meet separately with the Committee, without management, upon request of the Chair of the Committee.

If a Committee member or an attendee has a material personal interest in a matter that is being considered at a Committee meeting, that person must not be present for consideration of that matter.

6.0 Access

Except where expressly stated in this Charter, the Committee discharges its responsibilities by making recommendations to the Board.

The Committee does not have any executive powers to commit the Board or management to the implementation of its recommendations, except where expressly stated in this Charter or as authorised by resolution of the Board.

In order to discharge its duties, the Committee shall have free and open access and communication with the management of the Company, the external auditor and other external advisers to the Company where required for specific matters.

The Committee is empowered to investigate any matter brought to its attention with full access to all books and records, facilities and personnel of the Company and has the authority to seek independent professional advice as it deems necessary to carry out its duties.

7.0 Reporting

The minutes of each Committee meeting will be provided to all directors of the Board.

The Chair of the Committee will, if requested at the next Board meeting after a Committee meeting, provide a brief verbal update as to any material matters arising out of the Committee meeting. All directors may, within the Board meeting, request information of members of the Committee.

8.0 Committee Performance

The performance of the Committee will be reviewed by the Board annually.

9.0 Charter Review

The Committee will at least annually review this Charter to determine its adequacy for current circumstances and recommend any proposed amendments to the Board for approval.

A copy of this Charter is available in the Governance section of the Company’s website <https://www.adslot.com/investor-relations/governance/>

10.0 Document History

Version	Date	Description
v.1	28 January 2022	Creation and adoption
v.2	25 August 2022	Update following periodic review