Audit and Risk Committee Charter

AEMS | Company Secretariat | Other

Purpose and Scope

Use this document to define the role, structure and responsibilities of the the **Audit and Risk Committee** of the **Board of Directors** of Amplitude Energy Limited (**Amplitude Energy**).

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1.0 Objective

The Audit and Risk Committee (**Committee**) has been established by the Board to assist in fulfilling its corporate governance and oversight responsibilities in relation to:

- Financial and taxation management and reporting;
- External audit;
- Internal audit;
- Enterprise risk management;
- Insurance; and
- Government and community affairs risk management.

The Committee integrates risks identified by the **Technical and Sustainability Committee**, **People & Remuneration Committee** and **Governance & Nomination Committee** into the enterprise risk framework. The ultimate responsibility for, and power to make, company decisions remains with the full Board.

Amplitude Energy will provide the Committee with resources and information, including access to management to enable the Committee to undertake its duties. The Committee is authorised to consult with external and internal auditors (without management being present), and, on approval from the Chair of the Board, to obtain independent advice and institute investigations as it considers necessary or appropriate to fulfil its duties.

1.1 Related Content

- **Board Charter (CMS-GV-CHT-0002)**
- **Governance & Nomination Committee Charter (CMS-GV-CHT-0003)**
- **People and Remuneration Committee Charter (CMS-HR-CHT-0001)**
- **Technical and Sustainability Committee Charter (CMS-RM-CHT-0001)**

2.0 Terms of Reference

2.1 Membership and Meetings

- The Committee will comprise at least three non-executive directors appointed by the Board, the majority of whom will be independent directors and include one member who is also a member of the Technical and Sustainability Committee.
- Between its members, the Committee will have sufficient accounting and financial expertise and understanding of the oil & gas industry, to be able to discharge the Committee's responsibilities.
- The Board will appoint an independent non-executive Director as Chair of the Committee, who must not be the Chair of the Board.
- The Committee may form sub-committees to make recommendations to the Committee.
- The Committee will meet at least three times per year, with additional meetings to be held as the Committee Chair determines.
- Meetings of the Committee will be convened and conducted on the same principles as those that apply to the Board pursuant to the Constitution, except as otherwise provided in this Charter.
- A quorum for a meeting of the Committee will be a majority of members of the Committee. All matters will be decided by a majority of votes of members present.
- The Committee may invite any director, executive, or other staff member, external or internal auditor or external advisers, to attend all or a part of a meeting of the Committee.
- The Committee will have unfettered access to the Chief Financial Officer, Chief Corporate Services Officer (or equivalent role) and representatives of the external auditor.
- The Company Secretary or nominee will act as Secretary to the Committee and define the requirements of the business process described by this Charter.
- Minutes of Meetings of the Committee will be distributed at the next meeting of the Committee and made available to all Board members.
- The Committee will report to the Board on all actions and recommendations of the Committee and other such other matters as the Committee considers necessary or appropriate at the next Board meeting.

2.2 Responsibilities and Authority

The Committee is responsible for matters referred to it by the Board and exercises judgement in prioritising and addressing its responsibilities. The Committee's principal ongoing responsibilities are outlined below.

2.2.1 Financial and Taxation Management and Reporting

- Review half-yearly and yearly financial reports with management and the external auditor and recommend to the Board for approval.
- Review the quality and integrity of financial reporting to regulatory bodies and stakeholders.
- Review significant accounting policies, estimates and judgements.
- Monitor compliance with financial reporting requirements.
- Review written assurances provided by management to the Board in connection with financial reporting, including the assurances provided by the Managing Director and Chief Financial Officer in accordance with s295A of the Corporations Act.
- Review related party transactions.

- Review financial implications of Technical and Sustainability Committee findings, particularly reserves, provisions, impairments, contingencies, carbon costs and operational risks.
- Oversee taxation matters, planning and implications of major transactions.
- Review treasury policies including hedging strategies, and monitor hedging progams.
- Monitor compliance with debt covenants and review material financing proposals.

2.2.2 External Audit

- Annually, review and recommend external auditor appointment, terms , fees and performance to Board.
- Monitor auditor independence and effectiveness.
- Review audit scope, plans and findings, including as they relate to sustainability reporting.
- Monitor implementation of audit recommendations.
- Review sustainability reporting recommendations from the Technical and Sustainability Committee.
- Approve non-audit services policy and monitor compliance.
- Provide for Committee members who wish to do so to meet with the external auditor without management present.
- Ensure rotation of audit partner in accordance with Corporations Act requirements.

2.2.3 Internal Audit

- The Committee shall consider annually whether there is a need for an internal audit function and make a recommendation to the Board.
- Assess alignment of the Company's internal audit function with risks identified and report on these matters to the Board.
- Review and approve internal audit procedures and processes, plans and resources.
- Monitor and review the effectiveness and objectivity of the internal audit function and report on these matters to the Board.
- Receive recommendations from the internal audit function on the adequacy of Company processes for identifying and managing risk, review any internal audit plans, strategies, reports and outcomes directed to it and monitor internal audit performance and results.
- Review management's response to reviews and recommendations arising from the internal audit function.
- Assess the adequacy of resources and governance arrangements in respect of the internal audit function.
- Oversee investigations into fraud, misconduct or breaches of internal controls.

2.2.4 Enterprise Risk Management

- Oversee, review, and make recommendations to the Board regarding the Company's risk management framework and the adequacy and effectiveness of the risk management framework, including ensuring the risk management framework deals with contemporary and emerging risks relevant to the Company.
- Profile the risks of the Company by analysing the Company's business units and the various categories of risks faced by the Company (including any concentrations of risks and interrelationships between risks) and oversee management's recommended action plans for managing risk.
- Review and make recommendations to the Board on the Company's overall current and future risk appetite having regard to the Company's size, scale, complexity, scope of operations and capabilities.

- Monitor management's performance against the risk management framework, including whether the Company is operating with due regard to and within the risk appetite set by the Board and, if there have been operations outside the risk appetite set by the Board, bring that matter to the attention of the Board.
- Annually review the Company's risk management policies.
- Assist the Board to review the adequacy and effectiveness of, and monitor compliance with, the Company's risk management policies and instances of non-compliance.
- Assess whether the Company's risk management policies are communicated effectively to ensure they are embedded as part of the Company's corporate culture.
- Risk Monitoring and Reporting:
  - Review the consolidated risk register and enterprise risk profile at least quarterly.
  - Monitor emerging risk categories including climate, transition, cyber security, data privacy, and digital transformation risks and their potential impact.
- Monitor and make recommendations regarding management's effectiveness in managing key risks and internal controls, including procedures for periodic and critical reporting of risks to the Board and the Committee.
- Review the quality, type and presentation of risk-related material provided to the Board.
- Receive and review material risk-related reports and assessments from management, external auditors, internal auditors, legal counsel, regulators, and consultants relating to material projects and new or emerging sources of risk for the Company, and risk controls and mitigation measures in place to deal with those risks, including risks associated with acquisitions and divestments of those projects, and report to the Board any significant matters arising from the reports or assessments.
- Monitor compliance, including systems for monitoring and managing compliance, with laws, regulations, and other key obligations.
- Assess the structure and adequacy of the Company's Business Continuity Plans and Disaster Recovery Plans.
- Review the register of material business risks (including any material deficiency in risk controls) and advise the Board of 'learnings'.
- Review the adequacy of the insurance program to meet the business' needs.

2.2.5 Government and Community Affairs

- Monitor management's risk controls and management in respect of regulatory engagement, government relations and stakeholder management.
- Ensure engagement and compliance obligations are appropriately captured in the risk framework.
- Coordinate with the Technical and Sustainability Committee where regulatory or stakeholder matters overlap.

2.2.6 Integration of Risks from the Board Committees

- The Committee receives risk information from the Technical and Sustainability Committee, People & Remuneration Committee and Governance & Nomination Committee, to integrate into the enterprise framework.
- Risk information that the Committee receives includes people, remuneration, operational, health, safety, environmental and sustainability risk information. The Committee integrates risk information into the enterprise framework by:
  - Receiving periodic reporting on people and operational risk profile, including:
    - Health, safety and environmental performance and incidents.
    - Sustainability metrics and climate risks.
    - Material operational risks and their treatment.
    - Significant project risks and performance against budget/schedule.
    - Asset integrity matters with potential financial or reputational impact.
    - Operational regulatory compliance and stakeholder engagement.
    - People and human resources metrics.
  - Reviewing financial implications, including:
    - Financial provisions and contingencies (carbon costs, decommissioning liabilities, environmental remediation, people costs).
    - Insurance adequacy and coverage gaps.
    - Financial statement disclosures.
    - External reporting and continuous disclosure obligations.
    - Climate-related financial risks (physical risks to assets, transition costs, stranded asset exposure).
- Maintains oversight of framework adequacy and financial / governance implications.
- Ensures Technical and Sustainability Committee findings regarding reserves and resources estimates are appropriately reflected in financial reporting.
- The Committee does not duplicate technical oversight of operational matters within the Technical and Sustainability Committee's expertise but ensures these risks are appropriately weighted in enterprise risk assessment and that management responses are adequate from a governance and financial perspective.
- The Committee does not duplicate oversight of people and remuneration matters within the People & Remuneration Committee’s expertise but ensures these risks are appropriately weighted in enterprise risk assessment and that management responses are adequate from a governance and financial perspective.
- The Committee does not duplicate oversight of matters within the Governance & Nomination Committee's expertise but ensures these risks are appropriately weighted in enterprise risk assessment and that management responses are adequate from a governance and financial perspective.

2.3 Review

The Chair of the Board will annually review this Charter, Committee’s role and responsibilities and evaluate the Committee’s performance, making recommendations to the Board as appropriate.