



AUDIT COMMITTEE CHARTER

VERSION 1.009

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Version History

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Ainsworth Game Technology Limited ("the Company")

AUDIT COMMITTEE CHARTER

ROLE:

The role of the Audit Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. The key areas of responsibility are;

- Review of significant financial responsibilities and disclosures;
- Oversight of the risk and control environment;
- Auditor independence issues;
- Evaluating the internal and external audit processes; and
- Reporting to the Board on findings and recommendations.

RESPONSIBILITIES:

The main responsibilities of the Audit Committee are to:

- (a) assist the Board to discharge its fiduciary responsibilities with regard to the Company's accounting, control and reporting practices by monitoring the management over corporate assets;
- (b) review internal controls and any changes thereto approved and submitted by the Company's Chief Financial Officer;
- (c) provide assurance regarding the quality and reliability of financial information used by the Board, to enable the Board to maintain confidence in the financial reports;
- (d) review, amendment and oversight of the risk management procedures implemented and control framework with which the Company operates. The responsibilities of the Committee in relation to oversight and monitoring of risk management should include:
 - whether the Committee is receiving appropriate risk management information regularly enough;
 - that the format of the information provided meets the needs of the Committee members;
 - at least annually evaluate the adequacy and timeliness of management reporting to the Committee as financial, non-financial, current and emerging risk trends; and
 - discussion of key risk management procedures with senior executives, internal and external audit.
- (e) review the content of a written Report regularly prepared by the Internal Auditor to ensure the completeness of the Audit and the rectification of any matters of concern;
- (f) review and recommend to the Board the adoption of the Company's half year and annual financial statements including income tax and other fiscal matters incorporated within the financial statements;

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RESPONSIBILITIES (Continued)

- (g) consider whether non-audit services provided by the external auditor are consistent with maintaining the external auditors' independence. The external auditor provides an annual declaration of independence and compliance with independence guidelines for review by Audit Committee; and
- (h) perform, at least annually, a performance evaluation of the Committee and individual members to ensure delivery on its charter and continually enhance the committee's contribution to the Board.

The external auditor will be invited to attend Audit Committee meetings to discuss financial matters and business risk. The Audit Committee is to review the performance of the external auditors on an annual basis and is to meet with them during the year as follows:

- to discuss the external audit and internal audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed prior to announcement of results:
 - to review the half-year and preliminary final reports prior to lodgment with the ASX, and any significant adjustments required as a result of the auditor's findings
 - to recommend Board approval of these documents
- to finalise half-year and annual reporting:
 - review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made
 - review the draft financial report and recommend Board approval of the financial report
- as required, to organize, review and report on any special reviews or investigations deemed necessary by the Board subject to the engagement not impairing audit independence.

COMPOSITION:

The Committee must comprise at least three members and include:

- Only non-executive directors;
- A majority of independent directors; and
- An independent chairperson, who is not chairperson of the Board

In the event of any casual vacancy, the board should use all reasonable endeavours to fill that casual vacancy as soon as practically possible.

The members of the Committee are appointed and maybe removed and replaced by the Board. All appointments, removal and resignation of Committee members must be recorded in the minutes of the Board.

The chairman of the Committee (the "Chairman") and a deputy chairman are nominated by the Board and may be removed and replaced by the Board.

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Role of the Chairman

The Audit Committee Chairman shall have the following responsibilities:

- Planning and conducting meetings;
- Overseeing reporting and communications to the full Board;
- Leading verbal presentations to the full Board on findings and recommendations;
- Involvement in the selection of Audit Committee members in conjunction with the full Board;
- Performance evaluation of the Committee and Audit Committee members based on individual self assessments provided; and
- Discussing performance evaluation outcome with Board Chairman and provide a summary of findings and recommendations to the Board.

INDUCTION OF NEW MEMBERS:

An induction process for all new members is to be undertaken to ensure they understand their responsibilities, current issues, the objectives of the audit processes and the expectations of the Board concerning the performance of Committee members.

This induction process includes:

- Providing a copy of the Committee's charter and recent Committee papers and minutes;
- Providing copies of relevant company policies;
- An explanation by management and internal audit of the control, risk and compliance frameworks and current audit and financial reporting issues;
- Meetings with management and internal audit to discuss any unusual transactions or other matters as required; and
- Introduction to the external auditor.

MEETINGS OF THE COMMITTEE:

The Board or any member of the Committee ("Member") may convene a meeting of the Committee by giving not less than 72 hours (or less in an emergency) notice in writing or by telephone to the other Members with a brief statement of the matter(s) to be dealt with at the meeting.

The Committee shall meet at least two times in each financial year of the Company, currently 30 June. The Chairman will determine the procedure for meetings of the Committee, either generally or for any particular meeting. The procedure may allow attendance at the meeting by telephone or video conference. It is the duty of all Members to attend each meeting of the Committee. A quorum for a meeting of the Committee is all of the Members unless the Chairman excuses a Member from attendance because of ill health or other unavoidable cause, or unless there is a vacancy in respect of one of the three Members in which case the quorum for a meeting of the Committee shall be two Members.

Each Member has one vote.

The Committee may act by simple majority decision of the Members participating in a meeting.

If the Chairman is unable to attend a meeting the deputy chairman shall be Chairman.

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The Company Secretary shall act as secretary and the secretary's functions shall include ensuring meetings are held, the recording and distribution of minutes of meetings and other documents are circulated to the Committee. The minutes must contain sufficient detail of the proceedings to convey the basis and reasons for the Committee's decisions.

ACCESS TO INFORMATION AND INDEPENDENT ADVICE:

Each director has the right to access all required information. This right entitles each director to seek independent professional advice at the organisation's expense, subject to informing the Board. A copy of the advice reviewed by a director should be made available to all members of the Board.

This right applies to all members of the Board whether serving on Board committees or the Board itself. To ensure the independent role of the Audit Committee Members, this right to seek independent professional advice is extended to the Committee as it considers necessary.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and is provided with the right to direct access to anyone in the organisation.

CONTINUING EDUCATION:

The Committee Chairman in consultation with the Board should monitor the needs and opportunities for further education.

PERFORMANCE EVALUATION:

A formal performance evaluation of the Audit Committee is to be undertaken on an annual basis, both collectively and on an individual basis.

Committee Performance Evaluation

An evaluation process should assess the activities of the Committee against its charter and key activities recommended by industry bodies and professional firms.

The full Board should discuss the findings and recommendations and ensure that appropriate action is taken to enhance the Committees' ability to perform effectively.

Evaluation of Committee Members

A formal evaluation of the performance of all Committee Members will be undertaken on an annual basis. The Audit Committee Chairman should evaluate the performance of Committee Members based on a self assessment, with his or her own performance evaluated by the Board chairman.

After completing the evaluation, the Board chairman and Committee Chairman should discuss the outcomes so that appropriate action can be taken. This action could include training that would enhance issues such as financial literacy and the Member's ability to fulfill fiduciary responsibilities.