Audit and Risk Committee Charter

Frontier Digital Ventures Limited

ACN 609 183 959

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1 Introduction

The Audit and Risk Committee (the "Committee") is a committee of the Board of Directors of Frontier Digital Ventures Limited ("Frontier" or the "Company"). This Audit and Risk Committee Charter (the "Charter") sets out the roles, responsibilities, membership and operation in relation to the Company.

2 Membership of the Audit and Risk Committee

The Committee should consist of:

- where practicable, only non-executive directors;
- a majority of independent directors;
- an independent chair, who is not chair of the Board; and
- a minimum of three (03) members of the Board.

The Board may appoint additional non-executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

A director who ceases to be a director of the Board of the Company will automatically cease to be a member of the Committee.

Non-committee members, including members of management and the external auditor, may attend meetings of the Committee at the invitation of the Committee chair.

It is intended that the members of the Committee between them should have the accounting and financial expertise, and a sufficient understanding of the industry in which the Company operates, to be able to discharge the Committee's responsibilities effectively.

The Company Secretary (or his or her appointee) must attend all Committee meetings as minute secretary.

3 Administrative matters

3.1 Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role.

3.2 Quorum

The quorum is at least two (02) members, attending in person or by any electronic means allowing simultaneous communication.

3.3 Convening and notice of meeting

Any member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee, at the member's advised address for service of notice (or such other pre-notified interim address where relevant). However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

3.4 Rights of access and authority

The Committee has unrestricted access to management and to auditors (external and internal (if any)) without management present, and rights to seek explanations and additional information from both management and auditors.

Whilst the internal audit function (if any) reports to senior management, it is acknowledged that the internal auditors (if any) also report directly to the Committee.

The Committee may meet with and seek the advice of the Company's auditors, solicitors or such other independent advisers as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require. Any costs will be borne by the Company.

3.5 Minutes

Minutes of meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee chair, be circulated to all Committee members and presented at the next Committee meeting.

All minutes of the Committee must be entered into a minute book or maintained electronically (as appropriate) for that purpose and be open at all times for inspection by any director.

The Committee members may pass a resolution/(s) without a committee meeting being held if all Committee members who are entitled to vote on the resolution sign (including electronically) a document containing a statement they are in favour of the resolution/(s) set out in the document.

3.6 Reporting

It is intended that the Committee chair will provide a verbal update or prepare a report of the actions and any material matters arising out of the Committee to be included in the Board papers for the Board meeting next following a meeting of the Committee. The report may include provision of meeting agendas, papers and minutes of the Committee.

All directors will be permitted, within the Board meeting, to request information of the Committee chair or members of the Committee.

3.7 Authority

The Committee is a review Committee and makes recommendations to the Board for consideration. It has no decision-making authority and holds no delegated authorities from the Board.

4 Role & Responsibilities

4.1 Overview

The Committee's key responsibilities and functions are to:

(a) oversee the Company's relationship with the external auditor and the external audit function generally;

(b) oversee the Company's relationship with the internal auditor and the internal audit function generally (if any);

(c) oversee the preparation of the financial statements and reports;

(d) oversee the Company's financial controls and systems; and

(e) manage the process of identification and management of financial risk.

4.2 Audit

The Committee's primary roles with respect to the audit function are:

- to assist the Board in relation to the reporting of financial information;
- the appropriate application and amendment of accounting policies;
- the appointment, independence and remuneration of the external auditor; and
- to provide a link between the external auditors, the Board and management of the Company.

The following are intended to form part of the normal procedures for the Committee's audit responsibility:

(a) Review the Company's financial reporting, internal control framework and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes.

(b) Review the Company's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise a true and fair view of, the financial position and performance of the Company, as a basis for recommendation to and adoption by the Board.

(c) Receive and review reports of the external audit of the Company's financial statements.

(d) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Company's financial reports.

(e) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.

(f) Ensure that procedures are in place designed to verify the existence and effectiveness of accounting and financial systems and other systems of internal control which relate to financial risk management.

(g) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit for Board approval.

(h) Review the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditors believe special attention is necessary.

(i) Review the scope, results and effectiveness of the internal audit programs and the performance and objectivity of the internal audit function (if any), including whether the internal auditors are adequately resourced and co-ordinated with the external auditor. Monitor the independence of the internal audit programs (if any) from the external auditors and management. Review the outcomes and approve the internal audit program (if any).

(j) Review and approve the appointment and dismissal of the senior internal audit executive (if relevant).

(k) Review the performance, independence and objectivity of the external auditors.

(l) Review the procedures for selection and appointment of the external auditors and for the rotation of external audit engagement partners.

(m) Assume responsibility for the appointment (including the termination of an engagement), compensation, the terms of engagement and other contractual terms of the external auditors.

(n) Provide advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and an explanation of why those non-audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the *Corporations Act 2001* (Commonwealth) to be included in the Company's annual report.

4.3 Risk and compliance

The Committee's specific function with respect to risk management is to review and report to the Board that:

- the Committee has, at least annually, reviewed the Company's risk management framework, risk profile and risk appetite to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;
- adequate policies and procedures have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The following are intended to form part of the normal procedures for the Committee's risk and compliance responsibilities:

(a) Evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks.

(b) Evaluating the adequacy and effectiveness of the Group's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.

(c) Evaluating the structure and adequacy of the Group's Business Continuity Plans.

(d) Evaluating the adequacy and effectiveness of the Group's identification and management of economic, environmental and social risks and its disclosure of any material exposures to those risks.

(e) Evaluating the adequacy and effectiveness of the Group's cyber security risk management framework and ensure controls are implemented to protect key assets and enhance cyber resilience.

(f) Evaluating and making recommendations to the Board in relation to the structure and adequacy of the Group's own insurances on an annual basis.

(g) Reviewing and making recommendations to the Board on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies and the risk appetite that is appropriate for the Company.

(h) Reviewing and making recommendations to the Board in relation to the risk disclosures in the Company's operating and financial review in its annual report.

(i) Overseeing the establishment and maintenance of processes so that there is:

- an adequate system of internal control, management of business risks and safeguard of assets; and
- a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

(j) Evaluating the Group's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance and making recommendations to the Board in relation to any incident involving fraud or other break down of the entity's internal controls.

(k) Reviewing the Group's main corporate governance practices for completeness and accuracy.

(l) Reviewing the procedures the Company has in place so that there is compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices and the environment).

(m) Reviewing the procedures in place so that there is compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and AASB requirements).

(n) Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.

(o) Reviewing the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards.

(p) Reviewing and discussing with management and the internal and external auditors (if any) the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.

5 Relationship with the internal auditor (if any)

The Committee provides a link between the internal audit function and the Board. The head of the internal audit function has a direct reporting line to the Committee and, therefore, to the Board.

The Committee has the responsibility of:

(a) reviewing the internal auditor's objectives, competence and resourcing (including determining whether the internal audit function is to be provided by an internal or external party provider);

(b) ensuring an appropriate program of internal audit activity is conducted each financial year;

(c) reviewing and monitoring the progress of an internal audit and work program (without the presence of management);

(d) overseeing the coordination of the internal and external audit; and

(e) evaluating and critiquing management's responsiveness to internal auditor's finding and recommendations.

6 Review

The Board will, at least once in each year, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.