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Audit Committee Charter

1414 Degrees Limited

Audit Committee Charter

1. Introduction

1.1 Purpose

This Charter defines the role, structure and responsibilities of the Audit Committee of the Board of 1414 Degrees Limited (the Company).

2. Overview

The role of the Audit Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to:

- External audit
- Financial management and reporting

Additionally, the Committee will review whether management is adopting systems and processes for the above matters that are sufficient for a company of 1414's size and stage of development.

In performing its duties, the Committee will maintain effective working relationships with the Board, management and the external auditors.

3. Membership and Meetings

The Committee will comprise at least three members appointed by the Board. All Committee members will be financially literate and at least one member will have accounting or related financial experience.

The Board will appoint the Chairman of the Committee, who must be independent and not be the Chairman of the Board.

Members will be appointed to the Committee every two years or when a vacancy arises and are eligible for reappointment.

A quorum for any meeting will be two members.

The Committee may invite any director or staff member or external auditor to attend all or part of a meeting of the Committee.

The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board. The Company Secretary will include meeting minutes in the papers for the next meeting of the Board following the Committee meeting.

The Committee shall meet as often as required but not less than twice annually including:

- Prior to the issue of the interim results announcement and the Board meeting approving the interim results; and
- Prior to the issue of the final results announcement and the Board meeting approving the financial report, at which significant matters arising during the audit are considered.

4. Responsibilities

The Committee is responsible for matters referred to it by the Board. The principal ongoing responsibilities of the Committee are outlined below.

4.1 External Audit Function

Oversight of the company's relationship with its external auditors, including:

- Review and approve the annual audit plan, including its scope and adequacy
- Annually review and make recommendations to the Board as to the selection, appointment, reappointment or replacement (subject, if applicable, to shareholder ratification) of the external auditor having regard to the independence of the auditor
- The rotation of the audit engagement partner
- Monitoring and reporting in writing to the Board on external auditor independence
- Provide the opportunity for Committee members who wish to do so to meet with the external auditor without management being present at least annually

4.2 Financial Management and Reporting

- Review half-yearly and yearly financial reports with management and the external auditor and recommend to the Board acceptance to the Board
- Review the quality of integrity of financial reporting to shareholders and regulatory bodies
- Consider the appropriateness of significant accounting policies and principles and any changes to them
- Assess significant estimates and judgements in the financial reports, as well as the propriety of related party transactions
- Reviewing compliance with relevant statutory and regulatory requirements

- Review written assurances provided by management to the Board in connection with financial reporting, including the assurances provided by the Chief Executive Officer and Finance Manager in accordance with S295A of the Corporations Act
- Ensure that management’s written assurances are presented to the Board prior to the approval by the Board of the financial statements for the period

5. Conflicts of Interest

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once a standing notice is given and acknowledged.

6. Reviews

The Committee will review at least annually its membership and Charter to determine its adequacy and effectiveness for current circumstances.

The Committee may make recommendations to the Board in relation to the committee’s membership, purpose and responsibilities.

The Committee will evaluate its own performance on a regular basis, but not less than every two years.

7. Other Responsibilities

The Committee will perform other activities related to this Charter as requested by the Board.

The Committee will institute and oversee special investigations as requested by the Board.

The Committee will confirm annually that all responsibilities outlined in this Charter have been undertaken.

8. Disclosure of Charter

This Charter will be made available, and updated as required, on the Company’s website (<https://1414degrees.com.au/>) (Investors\Corporate Governance).

9. Version History

Version	Date	Status	Document Owner	Approver	Changes	Approval Date
1.0	December 2021	First Version	Company Secretary	Board	First Version	N/A
2.0	August 2023	Second Version	Company Secretary	Board	Second Version	23 August 2023