



Dicker Data Limited **Audit & Risk Management Committee Charter**

ABN 95 000 969 362

DICKER
DATA

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1. Introduction

The purpose of this Audit and Risk Management Committee Charter is to specify the authority delegated to the Audit and Risk Management Committee (Committee) by the Board of Directors of the Company (Board) and to set out the role, responsibilities, membership, and operation of the Committee.

The Committee is a committee of the Board established in accordance with the Company's constitution and is authorised by the Board to assist it in fulfilling its statutory, fiduciary, and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and granted to it under any separate resolutions of the Board from time to time. Whilst granting this power, the Board retains overall responsibility for the functions delegated by it to the Committee.

2. Definitions

- (a) **ASX** means the Australian Securities Exchange;
- (b) **DDR** means Dicker Data Limited;
- (c) **Board** means the board of directors of Dicker Data Limited;
- (d) **Board Committees** means any committees established by the Board from time to time;
- (e) **Chair** means the chair of the Board;
- (f) **Chief Executive Officer** or **CEO** means the Chief Executive Officer of Dicker Data (or equivalent);
- (g) **Chief Financial Officer** means the Chief Financial Officer of Dicker Data (or equivalent);
- (h) **Company** means Dicker Data Limited ABN 95 000 969 362; and
- (i) **Senior Executives** refers to the senior management team as distinct from the Board, being those who have the opportunity to materially influence the integrity, strategy and operation of Dicker Data and its financial performance and includes, as the context requires, the executive directors, the Chief Financial Officer/Company Secretary, and the general managers of Dicker Data.

3. Role of the Committee

The role of the Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- (a) the integrity of the Company's corporate reporting processes and financial statements, and the integrity and effectiveness of the internal control environment of the Company;
- (b) accounting and tax and related policies;
- (c) the appointment, remuneration, independence and competence of the Company's external auditors;
- (d) the performance of the internal and external audit function and review of their audits;
- (e) the effectiveness of the Company's system of risk management and internal controls; and
- (f) the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The Committee aims to bring transparency, focus and independent judgement to these roles. It will report regularly to the Board on matters relevant to these roles and responsibilities, and as required to satisfy applicable Corporations Act 2001 (Cth) and ASX Listing Rule requirements.

The Committee will be responsible for ensuring that non-financial risk management processes are being adhered to and that the appropriate treatments and controls are being maintained for all identified non-financial risks.

4. Audit and Risk Responsibilities

4.1 Corporate Reporting

The Committee is responsible for:

- (a) overseeing the review of financial reports and reviewing the results of external audits of these reports;
- (b) reviewing management's processes for compliance with laws, regulations, adherence to accounting standards and other requirements relating to the preparation of accounts and corporate reporting by the Company of financial and non-financial information;
- (c) reviewing and assessing the appropriateness of material estimates, accounting judgements and significant choices exercised by management in preparing the Company's financial reports by examining the processes used and seeking verification from internal and external auditors;
- (d) reviewing the effectiveness and adequacy of the Company's corporate reporting processes and related internal control systems;
- (e) assessing (before publication) whether external reporting is consistent with the understanding of the Committee and otherwise provide a true and fair view of the financial position and performance of the Company;
- (f) reviewing material documents and reports prepared for lodgment with regulators, assessing their impact on the Company and making recommendations to the Board on their approval or amendment;
- (g) ensuring that a comprehensive process is established to capture issues for the purpose of continuous reporting to ASX;
- (h) reviewing the completeness and accuracy of the Company's Corporate Governance Statement as required by ASX Listing Rules;
- (i) assessing information from external auditors which is significant for the financial reports;
- (j) asking the external auditor for an independent judgment about the appropriateness of the accounting principles and policies adopted by management and the clarity of financial disclosure practices used by the Company;
- (k) assessing solvency and the going concern assumption;
- (l) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur;
- (m) assess the process used by the Board to verify the integrity of any periodic corporate report released to the market that is not audited or reviewed by an external auditor;
- (n) recommending to the Board whether the financial and non-financial statements should be signed

- based on the Committee's assessment of them;
- (o) reviewing the completeness and accuracy of the Company's corporate reporting processes and related internal control systems;
 - (p) reviewing any climate related financial disclosures in the Annual Report;
 - (q) reviewing the disclosure of the process used to verify the integrity of any periodic corporate report released to the market which is not audited or reviewed by an external auditor;
 - (r) overseeing that appropriate risk management and internal control processes are in place to form the basis upon which the CEO and CFO make their declarations to the Board under section 295A of the Corporations Act 2001 (Cth) and Principle 4 of the ASX Corporate Governance Principles and Recommendations; and
 - (s) reviewing the risk profile for the Company in respect of financial matters and financial reporting risks; and
 - (t) reviewing and assessing the effectiveness of the Company's IT finance systems and meeting at least semi-annually with the Chief Financial Officer and/or Head of IT to understand the Company's IT environment as it relates to finance systems.

4.2 External Audit

The external audit is fundamental to the process to independently verify and safeguard the integrity of the Company's corporate reporting. The Committee oversees the external auditor's role in the corporate reporting process and makes recommendations to the Board regarding the external audit.

In particular, the Committee is responsible for:

- (a) Making recommendations to the Board on the appointment and remuneration of the external auditor and, if appropriate, recommending that tenders be called to assist in deciding which external auditor should be recommended;
- (b) making recommendations to the Board on the rotation of the audit engagement partner;
- (c) Agreeing the terms of engagement of the external auditor before the start of each audit;
- (d) Reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's set fee;
- (e) Monitoring the effectiveness and independence of the external auditor, and periodically assessing their performance;
- (f) Reviewing the external auditor's independence based on the external auditor's relationships and services with the Company and other organisations;
- (g) Assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgment or independence and, if required, developing policies for Board approval to ensure this does not occur;
- (h) Making recommendations to the Board on the removal of the external auditor;
- (i) Ensuring that any recommendation to replace the external auditor is carefully evaluated before the Board makes a final decision;
- (j) Inviting the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
- (k) Reviewing the scope and adequacy of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- (l) Raising with the external auditor any specific points of divergence with the Company's

- management;
- (m) Monitoring and examining management's response to the external auditor's findings and recommendations;
- (n) Reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate;
- (o) meeting at least annually with key management, external auditors, and compliance staff to understand the Company's control environment and disclose, in relation to each reporting period, whether such a review has taken place;
- (p) Ensuring receipt of the CEO and CFO declaration required pursuant to section 295A of the Corporations Act in relation to financial statements for a financial period;
- (q) Meeting with the external auditor without management present at least once a year;
- (r) Reviewing the process and controls which management has in place in relation to significant financial risks;
- (s) review external auditor reports that highlight significant items/risks, for subsequent reporting to the Board; and
- (t) meeting with the external auditor regarding any restriction in non-audit scope.

4.3 Internal Control and Risk Management

Recognising and managing risk is a crucial role of the Board, the Committee and management. Broadly their roles are as follows:

- (a) the role of the Board is to set the risk appetite for the Company (that is, the nature and extent of the risks it is prepared to take to meet its objectives), to oversee the risk management framework and satisfy itself that the framework is sound;
- (b) the role of management is to identify risks, develop and implement the risk management framework, manage and report on risks and monitor that the Company operates within the risk appetite set by the Board; and
- (c) the role of the Committee is to assist the Board, including:
 - (i) Reviewing a risk profile which describes the material risks facing the Company including financial and non-financial matters;
 - (ii) Regularly reviewing and updating the Company's risk profile;
 - (iii) Ensuring that the Company has an effective risk management system and reviewing the risk management system at least annually to ensure that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure those risks remain within the risk appetite set by the Board;
 - (iv) review the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board;
 - (v) ensure the risk management framework considers adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change;
 - (vi) receive management reports on new and emerging sources of risk, risk controls and mitigation measures;
 - (vii) determine whether the Company has any material exposure to environmental and

- social risks, and if so, how they intend to manage those risks;
- (viii) assessing and ensuring that there are internal processes for determining and managing key risk areas, such as:
- non-compliance with laws, regulations, standards and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws;
 - important judgments and accounting estimates;
 - business license requirements;
 - litigation and claims;
 - fraud and theft;
 - economic, environmental (including climate risk) and social sustainability risks;
 - cybersecurity; and
 - relevant business risks not dealt with by other Board committees;
- (d) receiving reports concerning material and actual incidents within the risk areas above;
- (e) ensuring that macro risks are reported to the Board at least annually;
- (f) conducting investigations of breaches or potential breaches of non-financial internal controls, and incidents within the risk areas above;
- (g) monitoring the effectiveness and the independence of external auditors;
- (h) examining and evaluating the effectiveness of the internal control systems and processes with management and external auditors and overseeing improvements;
- (i) making publicly available a description of the Company's risk management policy and internal compliance and control system in the Corporate Governance Statement;
- (u) encouraging voluntary reporting by employees to the Committee of breaches of internal controls and the Company's policies, and incidents within the risk areas above;
- (v) assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk;
- (w) reviewing the delegated levels of authority to management;
- (x) review the adequacy of the Company's insurance coverage, having regard to the Company's business and the insurable risks associated with its business;
- (y) meeting at least annually with key management, external auditors and compliance staff to understand the Company's control environment and disclose, in relation to each reporting period, whether such a review has taken place;
- (z) overseeing the preparation of summaries and making recommendations to the Board:
- (i) of main internal and external risk sources that could adversely affect the Company's prospects for future financial years, for inclusion in the operating and financial review section of the directors' report;
 - (ii) on economic, environmental (including climate risk), governance and social sustainability risks; and
 - (iii) for the Company's Corporate Governance Statement in the Company's annual report or on its website, including in relation to each reporting period:
 - (A) whether the review of the Company's risk management framework has taken place and, if appropriate, insights gained from the review and changes made as a result; and

- (B) whether the Company has any material exposure to economic, environmental and social sustainability risks, and if so, how they intend to manage those risks.

4.4 Related Party Transactions

The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

5. Membership

5.1 Composition and Size

The Committee shall consist of (where possible):

- (a) only non-executive directors;
- (b) a majority of independent directors; and
- (c) at least three members.

The Company will disclose the relevant qualifications and experience of the members of the Committee in the Annual Report.

Membership of the Committee is reviewed periodically and re-appointment to the Committee is not automatic. The members of the Committee are appointed and removed by the Board.

5.2 Chair

Where practical, the Chair of the Committee shall be an independent Non-executive Director who is not the Chair of the Board.

The Chair of the Committee will be appointed by the Board. If, for a particular Committee meeting the Committee Chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chair for that meeting.

5.3 Technical Expertise

The Committee must be structured so that:

- (a) all members are financially literate, that is, are able to read and understand financial statements;
- (b) at least one member has financial expertise, that is, is an accountant or financial professional with experience of financial and accounting matters; and
- (c) some members have an understanding of the industry in which the Company operates.

5.4 Commitment of Committee Members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

5.5 Company Secretary

The Company Secretary of the Board shall be the Company Secretary of the Committee.

6. Committee Meetings and Process

6.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this Charter.

The Committee will meet as frequently as required to perform its functions, but not less than twice per year. The Chair must call a meeting of the Committee if requested by any member of the Committee, the external auditor or the Chair of the Board.

The Annual Report for a relevant financial year will disclose the number of times the Committee met throughout that financial year and the individual attendance of each member of the Committee at those meetings.

6.2 Quorum

Two members of the Committee constitute a quorum for meetings of the Committee.

6.3 Attendance by Management and Advisers

The Chief Executive Officer and Chief Financial Officer are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the external auditors.

The Committee Chair may also invite directors who are not members the Committee, other senior managers and external advisers to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

6.4 Notice, Agenda and Documents

The Chair of the Committee will determine the meeting agenda after appropriate consultation.

Unless otherwise agreed or considered necessary by the Chair, notice of each meeting confirming the venue, date, and time together with an agenda of items to be discussed and supporting documents, will be circulated by the Company Secretary to each Committee member and any other individual invited to attend, not less than three business days before the meeting. Copies of the agenda and supporting papers are also to be circulated to all board members.

6.5 Minutes

The Company Secretary will keep minute books to record the proceedings and resolutions of the Committee meetings.

The Chair of the Committee, or delegate, will report to the Board after each Committee meeting.

The Committee must refer any matter of significant importance to the Board for its consideration and attention.

6.6 Access to Information and Advisers

The Chair of the Committee shall receive all reports between the external auditor and management.

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access the Company's documents and records;
- (c) obtain the advice of special or independent counsel, accountants, or other experts, without seeking approval of the Board or management (where the Committee considers that necessary or appropriate); and
- (d) access management and external auditors (with or without management present).

Relevant information will be distributed to Committee members as it becomes available.

The Committee may request a special or specific investigation, either by its own accord, or via Board direction, in satisfying its responsibilities under this Charter.

7. Committee's Performance Evaluation

The Committee will review its performance at least annually, or earlier if circumstances dictate.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities in terms of this charter.

Committee members must be available to meet with external bodies if requested to do so in accordance with relevant laws, regulations or prudential standards.

8. Review and Publication of Charter

This Charter shall be reviewed on an annual basis to ensure it remains relevant to the current needs of the Company. The Charter may be amended by resolution of the Board.

This Charter will be available on the Company's website and the key features will be published in the Corporate Governance Statement.

Document Management

Revision Date	Nature of Amendments
08 December 2017	Approved by the Board of Dicker Data
10 December 2018	Reviewed by the Company Secretary (Erin McMullen)
14 December 2018	Approved by the Board of Dicker Data
12 November 2019	Reviewed by the Company Secretary (Erin McMullen)
22 November 2019	Approved by the Board of Dicker Data
12 November 2020	Reviewed by the Company Secretary (Erin McMullen)
20 November 2020	Approved by the Board of Dicker Data
17 December 2021	Approved by the Board of Dicker Data
25 November 2022	Approved by the Board of Dicker Data