PlaySide Studios Limited

ACN 154 789 554

AUDIT AND RISK COMMITTEE CHARTER

1. ESTABLISHMENT AND PURPOSE

1.1 **Establishment.** The Audit and Risk Committee (**Committee**) is a committee of the board of directors (**Board**) of PlaySide Studios Limited (**Company**). This charter sets out the Committee's role, composition, authority and responsibilities.

1.2 **Purpose.** The Committee assists the Board in fulfilling its statutory, fiduciary and governance responsibilities relating to:

(a) the quality, integrity and reliability of the Company's financial statements, accounting policies, financial reporting and disclosure practices;

(b) the effectiveness and adequacy of the Company's internal control and risk management systems;

(c) the appointment, performance, independence and remuneration of the external auditor;

(d) the Company's risk management framework, risk appetite and material business, financial, operational, technology, cyber-security, privacy, tax, environmental, social and governance risks;

(e) compliance with applicable laws, regulations, ASX Listing Rules and Company policies;

(f) the operation and effectiveness of the Company's whistleblower and anti-bribery and corruption frameworks; and

(g) such other special reviews or investigations as the Board may direct.

1.3 **Ultimate responsibility.** The Board retains ultimate responsibility for the matters within the Committee's remit. The Committee assists and advises the Board and, where expressly delegated, exercises specific delegated authority.

2. COMPOSITION AND MEMBERSHIP

The Board will seek to adhere to the following composition requirements at all times. The Board acknowledges that from time to time the composition of the Board may not permit strict adherence, in which case the Company will disclose any departure from Recommendation 4.1 and Recommendation 7.1 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations in the Company's corporate governance statement.

2.1 **Number.** The Committee will comprise at least three members.

2.2 **Independence.** All members of the Committee must be non-executive directors, and a majority of members must be independent directors, in each case assessed by reference to the criteria set out in Annexure A of the Board Charter (Independence Criteria).

2.3 **Financial literacy.** All members of the Committee must be able to read and understand financial statements.

2.4 **Chair.** The chair of the Committee (**Committee Chair**):

(a) must be an independent director;

(b) where practicable, given the size of the Board, will not also be the Chair of the Board; and

(c) should have leadership experience and a strong finance, accounting or business background.

2.5 **Appointment and removal.** The Board appoints members of the Committee and the Committee Chair. The Board may remove and replace members of the Committee and the Committee Chair by resolution.

2.6 **Invitees.** The Committee may invite the external auditors, other directors, the CEO (whether appointed as Managing Director or otherwise) (**CEO**), the CFO, the Company Secretary, other senior executives, internal auditors or any other person to attend all or part of a meeting of the Committee. Invitees do not have voting rights.

3. DUTIES AND RESPONSIBILITIES

3.1 Financial reporting

The Committee will:

(a) review the appropriateness of the accounting principles and policies adopted by management, and the integrity of the Company's financial reporting;

(b) review the half-year and annual financial reports, together with the associated results announcements, before submission to the Board for approval;

(c) review and challenge the disclosure of information in the Company's periodic corporate reports (including reports not audited or reviewed by an external auditor) to satisfy itself that each report is materially accurate, balanced, understandable and provides investors with appropriate information to make informed investment decisions;

(d) assess whether external reporting is adequate for the needs of shareholders and other users, and whether the management processes supporting external reporting are appropriate;

(e) review the impact of any proposed changes in accounting policies on the financial statements;

(f) establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters, and the confidential and anonymous submission of concerns by employees;

(g) before the Board approves the Company's financial statements for a financial period, satisfy itself that the CEO and CFO (or, if none, the persons fulfilling those functions) have declared in writing to the Board that, in their opinion, the financial records of the Company have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and

(h) consider whether critical accounting estimates, significant judgments and unusual transactions have been appropriately addressed in the financial statements.

3.2 External auditor

The Committee will:

(a) recommend to the Board the procedures for the selection, appointment, re-appointment, removal and remuneration of the external auditor and for the rotation of the lead engagement partner;

(b) review the performance, succession plans, scope, effectiveness and independence of the external auditor;

(c) approve the external audit plan, engagement letter and fees for audit work to be performed;

(d) review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor;

(e) meet with the external auditor at least twice in each financial year, and at any other time the Committee considers appropriate, and hold a private session with the external auditor (without management present) at least once each financial year;

(f) pre-approve all audit and permitted non-audit services to be provided by the external auditor, and monitor the nature and cost of non-audit services with a view to protecting external audit independence;

(g) ensure adequate disclosure as required by law of the Committee's approval of all non-audit services provided by the external auditor;

(h) obtain from the external auditor an annual written statement as to the auditor's independence, including details of all relationships with the Company that may impact independence;

(i) receive from the external auditor reports on critical accounting policies, alternative accounting treatments discussed with management, material written communications between the external auditor and management, and any other matters required by the Corporations Act;

(j) ensure that the external auditor attends the Company's Annual General Meeting and is available to answer shareholder questions relevant to the audit; and

(k) review the terms of engagement, quality and independence of any other assurance provider engaged in relation to the Company's corporate reporting.

3.3 Internal audit and internal controls

The Committee will:

(a) periodically review the need for a formal internal audit function and the scope of any such function, having regard to the size, complexity and risk profile of the Company;

(b) where an internal audit function is in place, ensure that it is headed by a suitably qualified person with a direct reporting line to the Committee (or the Board) and appropriate skill, independence, resources and objectivity;

(c) where an internal audit function is in place, assess the performance and objectivity of the function and the Company's processes for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes;

(d) review the design and operating effectiveness of the Company's internal financial and non-financial controls, having regard to comments from the Company's internal and external auditors; and

(e) where it considers appropriate, commission an independent review of specific internal controls.

3.4 Risk management

The Committee will:

(a) oversee the Company's risk management systems, practices and procedures to ensure effective risk identification, assessment, treatment, monitoring and reporting, and compliance with internal guidelines and external requirements;

(b) review the Company's risk management framework at least annually to satisfy itself that the framework:

   (i) continues to be sound;

   (ii) ensures that the Company is operating with due regard to the risk appetite set by the Board; and

   (iii) deals adequately with contemporary and emerging risks, including strategic, operational, financial, technology and cyber-security, data privacy, intellectual property, third-party and publisher counterparty, talent and key-person, conduct, regulatory, tax, sustainability and climate change risks;

(c) review reports from management on the efficiency and effectiveness of the risk management framework and associated internal compliance and control procedures, and on material risk incidents;

(d) assess whether the Company has material exposure to environmental, social or climate-related risks and, if so, oversee the systems, practices and procedures to manage those risks;

(e) where the Company does not have material exposure to environmental or social risks, report the basis for that determination to the Board and, where appropriate, benchmark the Company's environmental and social risk profile against its peers;

(f) assess whether the Company is required or should elect to publish an integrated report, a sustainability report or a climate-related financial disclosure in accordance with a recognised international standard or Australian regulatory requirement;

(g) oversee the Company's work health and safety systems and material incidents; and

(h) oversee the Company's cyber-security posture, material cyber incidents and data breach response.

3.5 Compliance, whistleblower, anti-bribery and related parties

The Committee will:

(a) oversee the Company's compliance framework for material legal and regulatory obligations, including under the Corporations Act, the ASX Listing Rules and applicable overseas laws;

(b) oversee the operation, effectiveness and any material incidents arising under the Company's Whistleblower Policy, and receive reports on whistleblower disclosures in accordance with that policy;

(c) oversee the operation and effectiveness of the Company's Anti-Bribery and Anti-Corruption Policy and receive reports on material incidents;

(d) monitor related party transactions and consider whether any proposed related party transaction requires shareholder approval under Chapter 2E of the Corporations Act or Chapter 10 of the ASX Listing Rules, or otherwise warrants disclosure or independent expert scrutiny;

(e) oversee the Company's approach to tax risk, including material tax positions, transfer pricing arrangements, and material tax disputes; and

(f) receive and consider any request for a waiver of, or deviation from, the Company's Code of Conduct and make recommendations to the Board (the Board being the approving authority for any such waiver or deviation, which will be promptly disclosed where required by applicable law).

4. MEETINGS AND PROCEEDINGS

4.1 **Frequency.** The Committee will meet at least twice in each financial year and additionally as circumstances require for it to undertake its role effectively.

4.2 **Calling meetings.** Meetings are called by the Secretary of the Committee at the direction of the Board, at the request of the Committee Chair, at the request of any Committee member, or at the request of the external auditor.

4.3 **Circular resolutions.** Where the Committee Chair considers it appropriate, meetings, approvals and recommendations may be effected by written resolution signed by all members of the Committee (which may be by email) or by meetings held by telephone or video conference.

4.4 **Quorum.** A quorum is two members of the Committee. If the Committee Chair is not present, the members present must elect one of their number to chair the meeting.

4.5 **Voting.** Decisions are made by a majority of votes cast, with the person chairing the meeting having a casting vote in the event of an equality of votes.

4.6 **Private sessions.** The Committee will meet privately with the external auditor (without management present) at least once each financial year, and may meet privately with management or with any internal auditor as it considers appropriate.

4.7 **Work plan.** The Committee Chair, together with the Company Secretary, will prepare an annual work plan setting out the Committee's agenda across the financial year, aligned with the Company's reporting and risk calendar.

4.8 **Reporting.** The Committee Chair, through the Secretary, will prepare a report on the Committee's activities and recommendations for inclusion in the Board papers for the next Board meeting following each Committee meeting. Minutes of each Committee meeting will be included in the papers for the next full Board meeting.

5. SECRETARY

5.1 The Company Secretary or the Company Secretary's nominee will be the Secretary of the Committee and will attend meetings of the Committee as required.

5.2 The Secretary is responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and the other members of the Board.

5.3 The Secretary will distribute supporting papers for each meeting of the Committee as far in advance of the meeting as practicable.

6. RELIANCE ON INFORMATION AND EXPERT ADVICE

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

(a) an employee of the Company or its subsidiaries (the **Group**) whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;

(b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or

(c) another director or officer of the Group in relation to matters within that director's or officer's authority.

7. ACCESS TO MANAGEMENT, RECORDS AND INDEPENDENT ADVICE

7.1 **Access.** Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as members of the Committee, except where the Board determines that such access would be adverse to the Company's interests.

7.2 **Meetings with auditors.** Members of the Committee may meet with the external auditor or any internal auditor without management being present.

7.3 **Independent advice.** The Committee, and any member of the Committee acting with the prior knowledge of the Committee Chair (or, in the case of the Committee Chair, the Chair of the Board), may consult independent legal counsel or other advisers as it or that member considers necessary to assist in carrying out its or their duties and responsibilities. Any reasonable costs incurred will be borne by the Company.

8. REPORTING TO THE BOARD

8.1 The Committee will report to the Board at the next Board meeting following each Committee meeting on matters relevant to the Committee's role and responsibilities, including any recommendations for Board action.

8.2 The Committee will brief the Board promptly on all urgent or significant matters, including any material control failure, material compliance breach, material risk incident, material whistleblower disclosure or matter that in the Committee's view warrants immediate Board attention.

9. REVIEW OF CHARTER AND COMMITTEE PERFORMANCE

9.1 **Charter review.** The Board will review this charter at least annually and update it as required or as a result of new laws, regulations or best practice.

9.2 **Committee evaluation.** The Board will conduct a review of the composition and performance of the Committee at least annually to satisfy itself that the Committee has the skills and resources it needs and has carried out its functions effectively.

9.3 **Availability.** This charter will be made available on the Company's website and provided on request to Committee members, senior management, the external auditor and other parties as the Board considers appropriate.

VERSION CONTROL

Version	Approved by	Date approved	Summary of changes	Next review
1.0	Board	1 May 2025	Prior version	
2.0	Board	14 August 2026	Full review; modernised gender-neutral language (Chair, they); consolidated Role and Purpose; strengthened composition flexibility with "if not, why not" acknowledgement; added CEO/MD flexibility; expanded external auditor, risk management, cyber, ESG, tax, whistleblower, anti-bribery, related party and Code of Conduct waiver provisions; added private sessions with external auditor, annual work plan, Committee performance evaluation	August 2027