Audit and Risk Management Committee Charter

Emeco Holdings Limited

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1 Objectives

1.1 The audit and risk management committee (**Committee**) has been established by the board of directors (**Board**) of Emeco Holdings Limited (**Emeco**). The Committee's functions are to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of Emeco by:

(a) assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting Emeco's financial performance, the audit process, and Emeco's process for monitoring compliance with laws and regulations and the code of conduct; and

(b) implementing and supervising Emeco's risk management framework for both financial and non-financial risks.

2 Authority

2.1 The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

(a) retain outside counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;

(b) seek any information it requires from employees (all of whom are directed to cooperate with the Committee's requests) or external parties; and

(c) meet with Emeco's officers, external auditors or outside counsel, as necessary.

3 Specific responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

Financial statements

3.1 Review the financial statements for the half year and full year, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting policies and principles.

3.2 Receive and consider in connection with the half year and full year financial statements the Chief Executive Officer and Chief Financial Officer letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of its risk management, internal compliance and control systems and the process and evidence the Chief Executive Officer and Chief Financial Officer adopted to satisfy themselves.

3.3 Review the financial sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information and whether they provide a true and fair view of Emeco's financial position and performance.

3.4 Review with management and the external auditors the results of the audit.

Internal control

3.5 Where a corporate report, such as the sustainability report, is not subject to review by the external auditor, review the report and consider the process implemented by the Company to ensure that the report is materially accurate, balanced and provides shareholders with appropriate information.

3.6 Review the effectiveness of the Emeco's internal controls regarding all matters affecting Emeco's financial performance and financial reporting, including information technology security and control.

3.7 Review the scope of the internal and external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate.

Internal audit

3.8 Review with management and the internal auditor (if one is appointed), this charter, plans and activities of the internal audit activity.

3.9 Meet with the internal auditor to review reports and monitor management response.

3.10 Meet separately, at least once a year, to discuss any matters that the Committee or internal audit believes should be discussed privately.

3.11 Review the effectiveness of the internal audit activity.

3.12 Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement or dismissal of the internal auditor by management.

External audit

3.13 Review the external auditors' proposed audit scope and approach.

3.14 Meet with the external auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or auditors believe should be discussed privately.

3.15 Establish policies as appropriate in regards to the independence of the external auditor.

3.16 Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and Emeco, including non-audit services, and discussing the relationships with the auditors.

3.17 Review the performance of the external auditors, and consider the re-appointment and proposed fees of the external auditor and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to shareholders for their approval as required.

Tax risk management

3.18 Consider whether the tax governance framework has been designed effectively and is operating effectively in practice, to manage Emeco's tax risks.

3.19 Consider and discuss with management material risks to ensure that the Committee is informed of Emeco's position on transactions with a material tax outcome.

3.20 Keep the Board informed of material tax risks and how these are being managed.

Compliance

3.21 Consider the workplan for Emeco's compliance activities.

3.22 Obtain regular updates from management and legal counsel regarding compliance matters.

3.23 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of relevant management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

3.24 Review the findings of any examinations by regulatory agencies.

3.25 Review the process for communicating Emeco's code of conduct to personnel, and for monitoring compliance therewith.

Risk management

3.26 Consider the overall risk management framework and review its effectiveness in meeting sound corporate governance principles in light of the amount and type of risk the Company is willing to assume and any identified new or emerging risks.

3.27 Keep the Board informed of all significant business risks including both financial risks and non-financial risks such as those associated with Emeco's sustainability and environmental, social and governance planning, activities and reporting.

3.28 Review with management the system for identifying, managing, and monitoring Emeco's key risks.

3.29 Obtain reports from management on:

(a) the status of any key risk exposures or incidents;

(b) new and emerging sources of risk and the controls; and

(c) any material exposure to environmental or social risks

and mitigation measures put in place to deal with those risks.

3.30 Review any material incident involving fraud or a breakdown of Emeco's risk controls and the "lessons learned".

Reporting responsibilities

3.31 Regularly report to the Board about Committee activities, issues, and related recommendations.

3.32 Provide an open avenue of communication between internal audit, the external auditors, and the Board. For the purpose of supporting the independence of their function, the external auditor and the internal auditor have a direct line of reporting access to the Committee.

3.33 Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law or the listing rules of the Australian Securities Exchange.

3.34 Review any other reports Emeco issues that relate to the Committee's responsibilities.

Related party transactions

3.35 Review and monitor related party transactions and investments involving Emeco and its directors.

Other responsibilities

3.36 Perform other activities related to this charter as requested by the Board.

3.37 Institute and oversee special investigations as needed.

4 Composition

4.1 The Committee will comprise a minimum of 3 directors, all of whom must be non-executive directors and a majority of whom must be independent non-executive directors.

4.2 All members must be financially literate. At least one member must have expertise in financial reporting.

4.3 The Board will nominate the chair of the Committee from time to time. The chair must be an independent non-executive director who is not the chair of the Board.

5 Procedural requirements

5.1 The Committee will meet as required but not less than 4 times a year.

5.2 A quorum of the Committee will comprise 2 members, although all members are expected to attend (either in person or by videoconference, conference call or similar means) and participate.

5.3 If the chair of the Committee is absent from a meeting and no acting chair has been appointed, the members present may choose one of them to act as chair for that meeting.

5.4 Meetings of the Committee may be held or participated in by videoconference, conference call or similar means, and decisions may be made by circular or written resolution.

5.5 Each member of the Committee will have one vote.

5.6 The chair will not have a casting vote. If there is a tied vote, the motion will lapse.

5.7 The Committee may seek such advice from any external parties as it may consider necessary or desirable to fulfil its objectives.

5.8 Following each meeting of the Committee, the chair of the Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action.

5.9 Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board.

5.10 The Company Secretary will provide such assistance as may be required by the chair of the Committee in relation to preparation of the agenda, minutes or papers for the Committee.

5.11 As necessary or desirable, the chair may invite members of management, including the head of internal audit and representatives of the external auditors or other external advisors, to be present at meetings of the Committee.

6 Annual review

6.1 The Committee may prepare and provide to the Board annually:

(a) any recommended goals and objectives for the coming year; and

(b) recommended changes or improvements to this charter if necessary.

6.2 The annual review may be done by way of an oral report to the Board by the chair of the Committee.

7 Revisions of this Charter

7.1 Revisions of this Charter must be approved by the Board.