



VERTUA

AUDIT AND RISK COMMITTEE CHARTER

VERTUA LIMITED

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1. INTRODUCTION

- A. This is the Audit and Risk Committee Charter of the Audit and Risk Committee (Committee) established by the board of directors (Board) of Vertua Limited ACN 108 076 295 (Vertua) and sets out the specific responsibilities of the Committee delegated by the Board.
- B. The Committee is responsible for overseeing the external and internal auditing of Vertua's activities and overseeing the risk management policies and compliance procedures.
- C. The Committee is not a decision-making body. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.
- D. The Committee will make recommendations to the Board on all matters requiring a decision.

2. COMMITTEE'S ROLE

The role of the Committee is to review and make recommendations to the Board in relation to:

- A. The adequacy of Vertua's corporate reporting processes and internal control framework;
- B. Whether Vertua's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of Vertua;
- C. The appropriateness of the accounting judgements or choices exercised by management in preparing Vertua's financial statements;
- D. The appointment or removal of the external auditor;
- E. The fees payable to the auditor for audit and non-audit work;
- F. The rotation of the audit engagement partner;
- G. The scope and adequacy of the external audit;
- H. The independence and performance of the external auditor;
- I. Any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
- J. If Vertua has an internal audit function:
 - i. The appointment or removal of the head of internal audit;
 - ii. The scope and adequacy of the internal audit work plan; and
 - iii. The independence, objectivity and performance of the internal audit function; and
- K. The appropriateness of Vertua's risk management policies and oversight structure.

3. COMMITTEE'S RESPONSIBILITIES – OVERVIEW

The Committee's overall responsibilities include:

- A. Overseeing Vertua's relationship with the external auditor (including forming a policy on the provision of non-audit services and the rotation of external auditor personnel on a regular basis) and the external audit function generally;
- B. Overseeing the adequacy of the control processes in place in relation to the preparation of financial statements and reports;



- C. Overseeing the adequacy of Vertua's financial controls and systems; and
- D. Overseeing the process of identification and management of business, financial and commercial risks (other than credit and trading (financial market) risk).

4. COMMITTEE'S RESPONSIBILITIES – AUDIT

4.1 Function

The Committee's specific function on audit is to review and report to the Board that:

- A. The system of control, which management has established, effectively safeguards the assets of Vertua;
- B. Processes are in place such that accounting records are properly maintained in accordance with statutory requirements; and
- C. Processes exist to reasonably guarantee that financial information provided to investors and the Board is accurate and reliable.

4.2 Procedure

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

- A. Recommending to the Board the appointment and removal of the external auditors and reviewing the terms of engagement. The Committee manages the relationship with the external auditor on behalf of the Board. The Committee is responsible for considering the reappointment of the external auditor each year as well as their remuneration and terms of engagement;
- B. Approving the audit plan of the external auditors. The lead partner (having responsibility for the audit) and the audit partner responsible for reviewing the audit must rotate every five years. The Committee requires that a succession plan be presented to it for approval by the external auditor at least one year before the rotation is due to occur;
- C. Monitoring the effectiveness and independence of the external auditor;
- D. Obtaining assurances that the audit is conducted in accordance with the Auditing Standards and all other relevant accounting policies and standards;
- E. Providing recommendations to the Board as to the role of the internal auditor/internal audit function, if any;
- F. Reviewing and appraising the quality of audits conducted by Vertua's external auditors and confirming their respective authority and responsibilities;
- G. Monitoring the relationship between management and the external auditors;
- H. Evaluating the adequacy, effectiveness and appropriateness of Vertua's administrative, operating and accounting control systems and policies;
- I. Reviewing and evaluating controls and processes in place to ensure compliance with approved policies, controls, and with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- J. Overseeing Vertua's financial reporting and disclosure processes and the outputs of that process;
- K. Determining the reliability, integrity and effectiveness of accounting policies and financial reporting and disclosure practices;
- L. Reviewing (in consultation with management and external auditors) the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports and approving all significant accounting policy changes; and



- M. Evaluating the adequacy and effectiveness of Vertua's internal control and risk management processes and recommending improvements to Vertua's internal control and risk management processes, to the Board.

5. COMMITTEE'S RESPONSIBILITIES – RISK AND COMPLIANCE

5.1 Function

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

- A. Vertua's ongoing risk management program effectively identifies all areas of potential risk;
- B. Adequate policies and procedures have been designed and implemented to manage identified risks;
- C. A regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- D. Proper remedial action is undertaken to redress areas of weakness.

5.2 Procedure

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

- A. Reviewing Vertua's risk management framework at least annually to satisfy itself that it continues to be sound and that Vertua is operating with due regard to the risk appetite set by the Board;
- B. Evaluating the adequacy and effectiveness of Vertua's Risk Management Policy;
- C. 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;
- D. Evaluating the adequacy and effectiveness of Vertua's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors;
- E. Evaluating the structure and adequacy of Vertua's own insurances on an annual basis;
- F. Reviewing and making recommendations on the strategic direction, objectives and effectiveness of Vertua's financial and operational risk management policies;
- G. Overseeing the establishment and maintenance of processes to ensure that there is:
 - i. An adequate system of internal control, management of business risks and safeguard of assets; and
 - ii. A review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control;
- H. Ensuring that a confidential and anonymous process exists whereby persons can report on suspected unethical, illegal, fraudulent, undesirable or unlawful conduct involving Vertua's business;
- I. Evaluating Vertua's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance;
- J. Reviewing Vertua's main corporate governance practices, including the Anti-Bribery and Corruption Policy, the Risk Management Policy and the Whistle-blower Policy, for completeness and accuracy;
- K. Overseeing the proper evaluation of the adequacy and effectiveness of Vertua's legal compliance control systems;
- L. Providing recommendations as to the propriety of related party transactions; and
- M. Evaluating Vertua's exposure to economic, environmental, social and sustainability risks, and if considered material, disclosure of such risks along with policies and procedures to effectively manage the risks.

5.3 Internal audit

- A. Vertua does not currently have an internal audit function.
- B. The processes and procedures set out in section 5.2 are to be employed for evaluating and continually improving the effectiveness of Vertua's governance, risk management and internal control processes.
- C. The Committee must review annually whether there is a need for an internal audit function.

6. STRUCTURE OF COMMITTEE MEMBERSHIP

The structure of the Committee is as follows:

- A. The Committee will be appointed by the Board and comprise not less than 2 directors.

7. EXPERTISE OF COMMITTEE MEMBERSHIP

Committee members, where possible, must:

- A. Have a sound knowledge of Vertua's businesses, organisation structure and related policies and practices;
- B. Be financially literate (able to read and understand financial statements) and have sufficient financial knowledge and understanding to allow them to discharge their responsibilities; and
- C. Have an appropriate understanding of corporate governance matters particularly in relation to Board and Director responsibilities and the current edition of the ASX Corporate Governance Principles published by the ASX Corporate Governance Council.

8. SECRETARY

The Company Secretary or their nominee will act as secretary to the Committee, unless otherwise determined by the Committee.

9. PROCEEDINGS

9.1 Frequency

- A. The Committee will meet as frequently as required but must not meet less than four times each year.
- B. The secretary to the Committee or any member may call a meeting of the Committee.

9.2 Attendance

Members of the Board who are not Committee members, along with management or independent consultants, may be invited by the Chair of the Committee to attend all or part of a meeting. Voting at Committee meetings is restricted to Committee members.

9.3 Quorum

A quorum for a meeting shall be a minimum of 2 non-executive director Committee members. All meetings shall be conducted subject to an agenda circulated by the Chair of the Committee or their nominee and incorporating any matters raised by other members of the Audit and Risk Committee or referred by the Board.

9.4 Chair of the Committee

- A. In the absence of the Chair of the Committee, the remaining members will elect one of their number as Chair of the meeting.

9.5 Minutes

The secretary shall maintain minutes of all meetings of the Audit and Risk Committee. The minutes shall be signed by the Chair of the Committee.

9.6 Non-Consensus

Where the Committee is unable to reach consensus on a matter, the Chair of the Committee will report this to the Chair of the Board. The Chair of the Board will determine whether it is appropriate that the matter be resolved by the Board or by obtaining independent advice.

10. POWERS AND AUTHORITIES

10.1 Access

- A. The Committee has the right to unrestricted access to executive management, all employees and all records of Vertua.
- B. The Committee has the right to access auditors, internal or external, without management present.

10.2 Independent Advice

The Committee, or any individual member, with the approval of the Chair of the Board, is entitled to seek advice from external consultants or specialists where the Committee considers that necessary or appropriate.

11. REPORTING

- A. The Chair of the Committee shall report to the Board subsequent to each Committee meeting.
- B. The Chair of the Committee or their nominee must attend the Annual General Meeting of Vertua and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.
- C. The Committee is responsible for review and approval of any disclosures in Vertua's annual report regarding the Committee, its activities and performance.

12. REVIEW

- A. The Committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board, at a meeting to be decided each calendar year. It must recommend to the Board any suggested changes in the duties and responsibilities of the Committee and this Charter.
- B. This Charter will be reviewed annually by the Board to check that it is operating effectively and whether any changes are required to this Charter.

**Adopted by the Board of Vertua Limited
27 April 2021**