

Audit and Risk Committee Charter



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AUDIT & RISK COMMITTEE CHARTER

1. Introduction

The Audit & Risk Committee (Committee) is a committee of the Company's board of directors (Board). The purpose of the committee is to ensure there is effective oversight of financial information, active internal control systems are in place, and there is appropriate management of risk.

This Audit and Risk Committee Charter (Charter) governs the roles, responsibilities, composition and membership of the Committee.

The committee is responsible for the oversight of:

- Corporate governance and sustainability
- Financial reporting
- Internal control framework
- External audit
- Tax risk management and compliance
- Risk management
- Internal audit
- Compliance with the Corporations Act, ASX Listing Rules and Corporate Governance Principles

The operation of the Committee is also governed, where applicable, by the constitution of the Company.

2. Role of the Committee - Audit

In its capacity as the Audit Committee, the role of the Committee is to review and make recommendations to the Board in relation to:

- the adequacy of the Company's corporate reporting processes,
- whether the Company'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 the Company,
- the appropriateness of the accounting judgements or choices exercised by management in preparing the Company's financial statements,
- the appointment or removal of the external auditor,
- the rotation of the audit engagement partner,
- the scope and adequacy of the external audit,
- the independence and performance of the external auditor,
- any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor,
- the scope, adequacy and performance of any internal audit function.



3. Role of the Board and the Committee - Risk

It is the role of the Board to set the risk appetite for the Company, to oversee its risk management framework and to satisfy itself that the framework is sound.

The Board oversees the strategic planning of the Company, and that role includes periodically reviewing key risks of the Company and providing suggestions and guidance on the management of those risks.

In its capacity as the Risk Committee, the role of the Committee is to provide the Board with key assurances in relation to the Company's processes for managing risk. That role includes reviewing and making recommendations to the Board in relation to:

- the risk appetite for the Company,
- key business risks of the Company,
- the adequacy of the Company's processes for managing risk,
- any incident involving fraud or other break down of the Company's internal controls,
- the Company's insurance program, having regard to the Company's business and the insurable risks associated with its business.

In addition, the Committee will review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.

4. Composition

4.1 Members

The Audit and Risk Committee will consist of not less than three members. Members will be appointed by the Board from amongst the Directors. The Committee shall, when required by ASX Listing Rule 12.7, consist of a majority of independent directors. In addition, the Audit and Risk Committee will comprise:

- a. members who can read and understand financial statements and are otherwise financially literate;
- b. at least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- c. at least one member who has an understanding of the industry in which the Company operates.

4.2 Chair

The Board will appoint an independent Chair to the Committee (Chair). The Chair must not be the chair of the Board.

The Company secretary will act as secretary of the Committee (Secretary) unless determined otherwise by the Board.

4.3 Secretary

Unless another person is formally appointed by the Committee, the Company Secretary will be the Secretary of the Audit and Risk Committee at the request of the Chair of the Committee.



The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.

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

4.4 Other attendees

The Chief Executive Officer, other Executive Directors and the Chief Financial Officer, as well as other members of senior management may be invited to be present for all or part of the meetings of the Audit and Risk Committee, but will not be members of the Committee.

Representatives of the external auditor are expected to attend at least one meeting of the Audit and Risk Committee per year without any management staff or executives present.

5. Meetings

5.1 Frequency

The Committee will meet as frequently as required but must, at a minimum, meet twice a year. The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

5.2 Agenda and notice

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 7 days before the meeting.

5.3 Quorum

A quorum for Committee meetings will be at least two members.

5.4 Minutes

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable.

5.5 Attendance

A representative of the Company's external auditors will be invited to attend each Committee meeting. Any director who is not a Committee member may attend meetings, but only as an observer.

The Committee may invite any other person to attend part or all of any meeting of the Committee as it considers appropriate.

Voting at Committee meetings is restricted to Committee members.



6. Powers

6.1 Access

The Committee has the right to obtain information, and unrestricted access to management and any internal and external auditors (with or without management present) and access to all Company records for the purpose of carrying out its responsibilities under this Charter, except where the Board determines that such access would be adverse to the Company's interests. Such access shall be provided on a timely basis.

The Committee will meet with external auditors, in the absence of management, as often as required, but not less than once a year.

Members of the Committee may also meet with internal auditors without other management being present.

6.2 Investigations and External Advice

The Committee has the power:

- to conduct any investigations it considers necessary; and
- seek explanations and additional information.

Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chair. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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:

- an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- 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
- another Director or officer of the Group in relation to matters within the Director's or officer's authority.

The Committee has the power to seek advice from external consultants or specialists where the Committee considers that necessary or appropriate. Costs associated with this will be borne by the Company.

7. Financial Statements

The Committee has the following duties to review the audited annual and half yearly financial statements and any reports which accompany published financial statements before submission to the Board, recommending their approval, focusing particularly on:

- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments, accounting and financial reporting issues resulting from the external audit;
- compliance with accounting policies and standards; and
- compliance with legal requirements.



If the Company has a public accountant, to review the evaluation by management of factors related to the independence of the Company's public accountant and to assist them in the preservation of such independence.

To oversee management's appointment of the Company's public accountant if one is required.

8. Related Party Transactions

The Committee must monitor and review the propriety of any related party transactions, and ensure that all regulatory requirements are appropriately met. This includes, where available, ensuring that the availability of exceptions to shareholder approval are appropriately tested and documented.

9. External audit function Statements

The Committee has the following duties in relation to external audit:

- To recommend to the Board the appointment of the external auditor.
- Each year, to review the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.
- Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.
- Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- To discuss with the external auditor before the audit commences the nature and scope of the audit, and to ensure coordination between the external auditor and the Company's accounting staff.
- To determine that no management restrictions are being placed upon the external auditor.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).
- To review the external auditor's management letter and management's response.
- To review and make recommendations on fees payable to the auditor for audit and non-audit work.
- Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- Receive from the external auditor, or any other regulatory body, their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act

10. Internal audit function

The Committee has the following duties in relation to internal audit:

- To recommend to the Board the appointment of an internal auditor if and when one is required.



- If and when one is required, to consider the appointment of an internal auditor, the audit fee (if externally contracted) and any questions of resignation or dismissal.
- If and when one is required, to review the appointment, remuneration, evaluation, retention and dismissal of the chief audit executive.
- Each year, to review and approve the internal auditor's charter (if any).
- To review the reporting lines of the internal audit function to ensure that the internal auditor is allowed adequate independence.
- To determine that no management restrictions are being placed upon the internal audit function.
- To ensure that the internal audit function is adequately resourced (including qualified personnel, funding and equipment) so as not to impede its ability to execute its responsibilities.
- To consider the major findings of the internal audit investigations and management's response.
- To ensure coordination between the internal and external auditor.
- To meet privately with the internal auditor on at least an annual basis.

11. Risk management

The Committee has the following duties in relation to risk management:

- Assessing the internal processes for determining and managing key risk areas, particularly:
 - non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
 - litigation and claims; and
 - relevant business risks other than those that are dealt with by other specific Board Committees.
- Monitoring management's performance against the Company's risk management framework including whether it is operating within the risk appetite set by the Board.
- Developing and maintaining a risk register that identifies the risks to the Company and its operation and assesses the likelihood of their occurrence.
- Updating the risk register periodically and presenting it to the Audit and Risk Committee for its consideration at least twice a year.
- Ensuring that the Company has an effective risk management system and that major risks to the Company are reported quarterly to the Board, and more frequently where warranted by the circumstances.
- Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
- Receive reports from internal audit on its reviews of the adequacy of the entity's processes for managing risks.
- Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.
- Reviewing any material incident involving fraud or a breakdown of the Company's risk controls and determining the lessons learned.



- Make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or the risk appetite set by the Board.
- Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
- Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
- Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the Company's control environment.

12. Assessment of effectiveness

The Committee has the following other duties comprising:

- To evaluate the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management, internal auditors (should they exist) and the external auditors.
- Oversight of the Risk Management System.
- To oversee the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the Company. This system will include the Company's internal compliance and control systems.
- To review at least annually the Company's risk management systems to ensure the exposure to the various categories of risk are minimised prior to endorsement by the board.
- To evaluate the Company's exposure to fraud.
- To take an active interest in ethical considerations regarding the Company's policies and practices.
- To monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- To identify and direct any special projects or investigations deemed necessary.
- To ensure the appropriate engagement, employment and deployment of all employees under statutory obligations.
- To ensure a safe working culture is sustained in the workforce.
- To determine the Company's risk profile describing the material risks, including both financial and non-financial matters (including environmental climate-change and social risks), facing the company.
- To regularly review and update the risk profile.

13. Reporting

13.1 Reporting to the Board

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues. The report must also include, at a minimum:



- an assessment of whether external reporting is in line with the information and knowledge of the Committee and whether it is adequate for the needs of the Company's shareholders;
- an assessment of the management processes which support external reporting;
- assessment of the performance and independence of the external auditors and, given the provision by the external auditors of any non-audit services, whether the independence of the external auditors has been maintained; and
- the results of the Committee's review of risk management and internal compliance and control systems.

13.2 Annual report

Based on advice and recommendations from management and external specialists, the Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report which relate to the Company's audit policies and practices and risk management policies and practices.

14. Committee's performance evaluation

The Committee will review its performance from time to time and whenever there are major changes to the management of the Company.

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

15. Review of the Charter

The Board will conduct an annual review of the membership of the Committee and this Charter, to ensure that the Committee has carried out its functions in an effective manner and that the Company is operating with due regard for the risk appetite set by the Board.

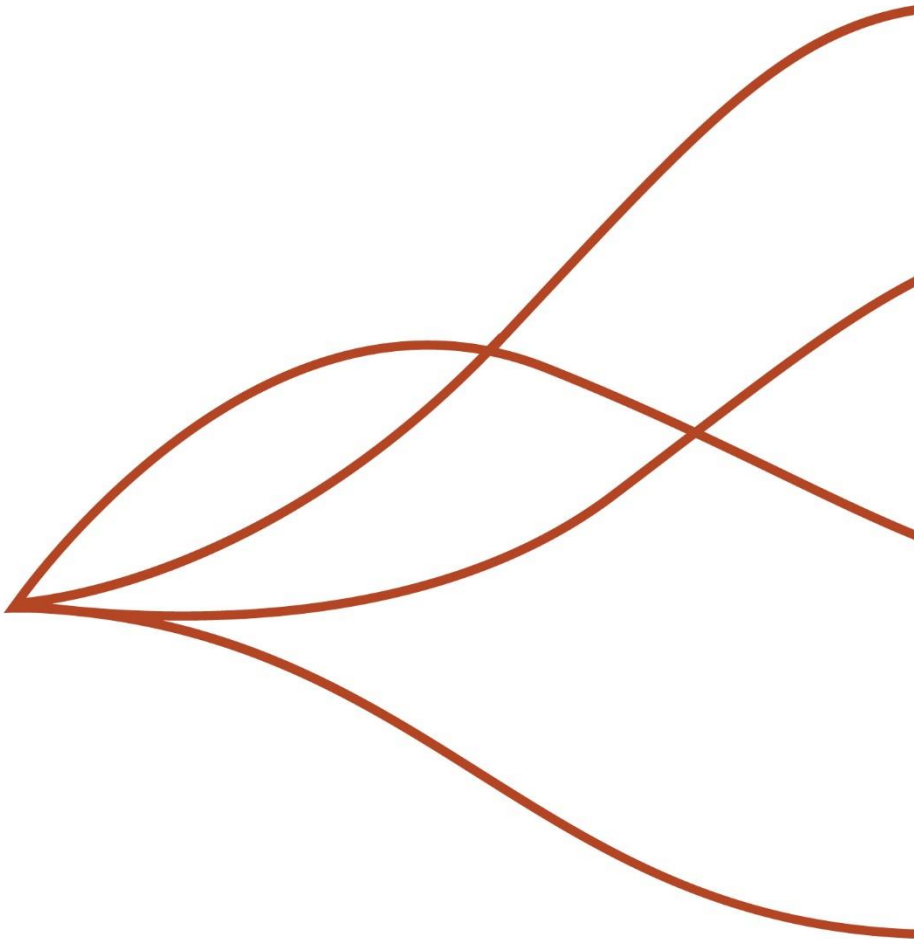
The Board will update the Charter as required or as a result of new laws or regulations.

The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

Don Runge

Chairperson

29 April 2022



VHM Limited
ABN 58 601 004 102

vhmltd.com.au