



Audit & Risk Committee Charter



Vitrafy Life Sciences Ltd ©
ACN: 622 720 254

Document History

Version	Summary of Amendments	Approved By	Approval Date
1.0	New Audit & Risk Committee Charter	Board	23 September 2021
2.0	Periodic Review	Board	12 December 2024

Legislative and Regulatory Framework

Authority	Law, Resolution or Regulation
ASX Corporate Governance Council	ASX Corporate Governance Principles and Recommendation (2019) (“ASX Principles”)
Australian Government	Corporations Act 2001 (Cth) (“Corporations Act”)

Other Policy Details

Key Information	Details
Approval Body	Board of Directors
Key Stakeholders	Board of Directors Executive Leadership Team
Responsibility for Implementation	Chief Financial Officer
Policy Custodian	Company Secretary
Next Review Date	December 2026

Audit & Risk Committee Charter

1. Introduction

- 1.1. The Audit & Risk Committee (**Committee**) is a committee of the Board of Directors (**Board**) of Vitrafy Life Sciences Ltd ("**Company**", "**we**", "**our**", "**us**").
- 1.2. The Committee will assist the Board to fulfil its oversight responsibilities in respect of financial reporting, risk management, compliance and associated internal controls.
- 1.3. The Committee will review the financial reporting process, the system of internal control and management of financial risks, and the process and coverage of internal and external audit together with business risks including strategic risk, operation and regulatory risk and compliance with applicable laws, regulations and Company policies.
- 1.4. To the extent that there is any inconsistency between this Audit & Risk Committee Charter (**Charter**) and the Company's Constitution, the Constitution will prevail to the extent of that inconsistency.

2. Definitions

- 2.1. General terms and abbreviations used in this Charter have the meaning set out in Schedule 1 of this document.

3. Role and responsibilities

- 3.1. The Company has established an Audit & Risk Committee which complies with the ASX Corporate Governance Principles & Recommendations to oversee the management of financial and internal risks.
- 3.2. The primary role of the Committee is to monitor and review the effectiveness of the controlled environment of the Company in the areas of operational and balance sheet risk, legal and regulatory compliance and financial reporting.
- 3.3. The overriding objective of the Committee is to provide an independent and objective review of financial and other information prepared by the Company, in particular information that is to be provided to members and/or filed with regulators, including:
 - (a) overseeing the Company's discharge of its responsibilities with respect to:
 - (i) the adequacy of the Company's corporate reporting processes;
 - (ii) whether the Company's financial statements, financial report and annual report reflect the understanding of the Committee members and provide a true view of the Company's financial position;
 - (iii) the appropriateness of the accounting decisions exercised by management in preparing the Company's financial statements;
 - (iv) legal and regulatory compliance;
 - (v) protection of capital;
 - (vi) risk management systems including the matters set out in the Risk

Management Policy, and ensuring that risk management processes are maintained and operating effectively; and

(vii) any reports made by the Whistle blower Protection Officer pursuant to the Whistle-blower Policy.

(b) overseeing the Company's relationship with the external audit firm, including their appointment or removal;

(c) determining the independence of the external audit firm; and

(d) in respect of the external audit firm, determining the policy for partner rotation.

3.4. The Committee is also responsible for the review of the Company's risk management program. It must ensure that areas of risk have been identified, and that the appropriate internal controls have been implemented and are operating efficiently in all material respects.

3.5. The Committee will meet and receive regular reports from its external audit firm concerning matters that arise in connection with the Company's audit. The Committee is also responsible for overseeing the engagement of the external audit firm, including:

(a) review of the external audit firm's performance;

(b) the nomination of any new or replacement external audit firm; and

(c) the scope of the external audit firm's work plan.

3.6. The Committee should also consider any proposal for the external audit firm to provide non-audit services and whether the provision of such services will compromise the independence of the external audit firm.

4. Accountability of Board

4.1. The Board has ultimate responsibility for overseeing the performance of the Company, including monitoring of its risk management and internal control systems.

4.2. The Committee is responsible for preparing a risk appetite statement, identifying the level of risk deemed by the Company to be acceptable. The Committee will recommend the risk appetite statement to the Board for adoption and will review the risk appetite statement periodically, not less than annually.

4.3. The Committee is required to report to and advise the Board on the Company's activities and risk profile in light of this statement, and to put systems and reporting lines in place to enable it promptly to bring to the Board's attention any departure from the risk appetite statement, including without limitation:

(a) seeking a quarterly sign-off from senior management on risk; and

(b) seeking quarterly reporting from the Company's compliance committees (if any).

5. Membership

5.1. Composition

(a) It is intended that the Committee consist of:

- (i) a minimum of **three (3)** non-executive Director, a majority of whom are independents Directors of the Company; and
 - (ii) is chaired by an independent Director chair (**Committee Chair**), and not the chair of the Board. The Committee Chair will be appointed by the Board.
- (b) Membership of the Committee will be reviewed periodically and re-appointment to the Committee will not be automatic. Appointments and resignations will be decided by the Board.
 - (c) All members of the Committee must be able to read and understand financial statements and reports.
 - (d) The Committee Chair must have leadership experience and a strong finance, accounting, or business background.
 - (e) The external audit firm, Secretary and CFO (or equivalent) and other senior executives may be invited to Committee meetings at the discretion of the Committee.
 - (f) If a Committee member ceases to be a director of the Company, their appointment as a member of the Committee is automatically terminated with immediate effect.
 - (g) Directors who are non-Committee members may attend all or part of a meeting at the invitation of the Committee Chair, subject to no conflict of interest on the matters being discussed.
 - (h) The Secretary must attend all Committee meetings as minute secretary

5.2. Chair

- (a) The role of the Committee Chair is to:
 - (i) determine the agenda for meetings of the Committee in conjunction with the Secretary of the Committee;
 - (ii) chair meetings of the Committee and take reasonable steps for the proper functioning of the Committee, including the proper conduct of meetings and an appropriate level of discussion;
 - (iii) ensure adequate flow of relevant information to the Committee;
 - (iv) advise the Board on the Committee's recommendations to the Board on matters falling within the scope of the Committee's responsibilities;
 - (v) review the minutes of meetings of the Committee for circulation to and approval of the Committee, and sign the approved minutes;
 - (vi) ensure Committee's action items are reviewed regularly and satisfactorily resolved in a timely manner; and
 - (vii) act under a delegation of the Committee, including liaising on behalf of the Committee with consultants advising the Committee.

6. Appointment of external audit firm

- 6.1. An external audit partner is to be permanently engaged by the Company to provide shareholder and investor confidence in the integrity of the Company's financial reports, and audit compliance. The Company requires the external audit partner to maintain independence from the Company in accordance with the Corporations Act and this Charter.
- 6.2. Each year, the Company and the external audit firm should document the terms of engagement and present them to the Committee for approval. Terms of engagement must include:
 - (a) confirmation of the external audit firm's continuing independence and the continuing independence of the senior audit partner;
 - (b) a requirement for the external audit partner to be present at the annual general meeting for the purpose of answering shareholder questions about the conduct of the audit and the preparation and content of the external audit firm's report. The agenda for the annual general meeting must include a note informing shareholders of their right to put questions to the external audit firm;
 - (c) ready access of the external audit partner to the Committee via the Committee Chair; and
 - (d) a requirement for the external audit firm to provide the Committee with a full and complete report on the audit, with a copy to be presented to management.
- 6.3. On the completion of the year end audit, the Committee is to receive a copy of the audit closing report which clearly documents any potential issues in the financial statements.

7. Internal audit function

- 7.1. If the Company has an internal audit function, the Committee should review and make recommendations to the Board in relation to:
 - (a) the appointment or removal of the internal auditor;
 - (b) the scope and adequacy of the internal audit work plan; and
 - (c) the objectivity and performance of the internal audit function.
- 7.2. The Committee provides a link between the internal audit function and the Board. The internal auditor has a direct reporting line to the Committee and, ultimately, to the Board.

8. Responsibilities

- 8.1. The following are intended to form part of the normal procedure for the Committee's audit and governance responsibilities
 - (a) review and discuss with management and the external audit firm the half-yearly and annual financial reports including notes to the financial accounts and other disclosures and whether the financial reports should be approved;
 - (b) review the Company's accounting and financial reporting practices, including the

effect of changes in accounting standards and practices, the effect of significant judgements or estimates made by management, the appropriateness of assumptions used to support carrying values of assets, ASX listing requirements and corporate legislation. This includes discussing with management and the external audit firm the application of those practices and standards to the Company's financial reports;

- (c) review and discuss with the external audit firm its report regarding significant findings in the conduct of the audit and management's response to those findings;
- (d) discuss with management and the external audit firm any major issues relating to the system of internal controls over financial information; and
- (e) satisfy itself that the declarations provided by the CEO and CFO (or equivalent) in accordance with section 295A of the Corporations Act are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

8.2. The Committee's primary roles with respect of the **external audit** firm are to:

- (a) review the appointment and, if necessary and subject to shareholder approval, the removal of the external audit firm;
- (b) review and approve the terms of engagement of, and the fees payable to, the external audit firm;
- (c) review the annual audit plan with the external audit firm and approve the plan and the quantum of audit fees;
- (d) review and discuss with the external audit firm any matters relating to the conduct of the audit including responses from management, the appropriateness of the Company's accounting policies, and the reasonableness of management estimates and judgments;
- (e) receive and review quarterly reports on non-audit services to determine compliance with the Board's policy on maintaining the independence of the external audit firm;
- (f) review annually the Board's policy on maintaining independence of the external audit firm and recommend any changes if necessary; and
- (g) review the performance of the external audit firm having regard to the skills, qualifications and capabilities of the lead external audit staff.

8.3. The Committee's specific function with respect to **risk management** are to:

- (a) develop and review the Company's risk management policy and framework for identifying, assessing, monitoring and managing risk in light of the Board's risk appetite statement, and make recommendations for improvements on the risk management policy and framework;
- (b) review and update the Company's risk profile regularly;

- (c) monitor the effectiveness of the risk management framework and the system of internal control, including regular request, receipt and review of reports on material risks and the operation of the Company's internal controls to mitigate those risks;
- (d) monitor the effectiveness of the Company's business continuity policies and procedures, and its compliance with the Board's risk appetite statement;
- (e) undertake a strategic risk assessment workshop with senior managers to reassess the Company's material risks and determine whether the current controls are adequate and effective;
- (f) review and make recommendations to the Board regarding any incident involving fraud or other break down of the Company's internal controls;
- (g) review at least annually the Company's implementation of the risk management policy and framework and the Board's risk appetite statement and disclose on the corporate governance page on the Company's website whether such a review has been carried out in relation to each reporting period; and
- (h) review the adequacy of the Company's insurance policies, including the terms of annual policy renewals and the creditworthiness and claims payment histories of the Company's principal insurers in light of the Board's risk appetite statement and the insurable risks associated with the Company's business.

8.4. The Committee's specific function with respect to **related party transactions** are to:

- (a) review and monitor related party transactions and investments involving the Company and its Directors, including a formal review of the register of related party contracts maintained and provided by management on at least an annual basis;
- (b) review and approve all transactions in which the Company is a participant and in which any parties related to the Company (including its executive officers, Directors, beneficial owners of more than 5% of the Company's shares, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company) has or will have a direct or indirect material interest; and
- (c) the Committee should only approve those related party transactions that are determined to be in, or are not inconsistent with, the best interests of the Company and its shareholders, after considering all available facts and circumstances as the Committee determines in good faith to be necessary. Transactions with related parties or shareholders may also be subject to shareholder approval to the extent required by the ASX Listing Rules and the Corporations Act.

8.5. The Committee's Specific Responsibilities with Respect to **legislative compliance** are to:

- (a) monitor the development and ongoing review of appropriate legislative compliance policies and programmes where applicable;
- (b) receive, review and discuss with management regular reports on legislative

compliance; and

(c) monitor progress in responding to enquiries from regulatory authorities.

9. Right to access and authority

9.1. The Committee has rights of access to management and has the authority to seek explanations and additional information from the external auditors, without management present, as required. The Committee has the power to conduct or authorise investigations into any matters within the Committee's scope of responsibilities.

9.2. The Committee, if necessary, instigates special investigations and, if appropriate, hires appropriate personnel to assist in providing any information it sees relevant to the execution of its activities

10. Meetings and procedures

10.1. It is intended that the Committee will meet at least two times each year, or as often as the Committee members deem necessary in order to ensure that the Committee fulfils its role and the objectives set out in this Charter.

10.2. At each of the Board meetings, the Managing Director and CEO, CFO and Secretary are required to provide assurance to the Board as to the effectiveness of the systems in place for the management of the material risks, by reference to the Company's operational issues reports.

10.3. Except as set out in this Charter, the Committee is subject to the Board's general policy for engaging or seeking advice from financial and legal advisers.

10.4. The Secretary will attend all Committee meetings and minute the meetings. All minutes of the Committee will be entered into a minute book maintained for that purpose and will be open at all times for inspection by any Director. The Secretary will distribute supporting papers for each meeting of the Committee as far in advance as possible.

10.5. The Company will disclose in the corporate governance section of each annual report the frequency of the Committee meetings, the names, relevant qualifications, and experience of members of the Committee and their attendance at meetings of the Committee.

11. Economic, Environmental, and Social Sustainability Risks

11.1. The Company should disclose whether it has any material exposure to economic, environmental, and social sustainability risks. If the Company is exposed to such risks, it should also disclose how it manages or intends to manage those risks.

12. Reporting

12.1. It is intended that a report of the actions of the Committee will be included in the Board papers for Board meetings immediately following completion of that report.

13. Disclosure

13.1. The Committee will review all reporting by the Company of its audit and risk policies and practices to ensure that the Company meets its disclosure obligations as required under the ASX Listing Rules and the Corporations Act.

- 13.2. The Board will make available at the end of each reporting period:
- (a) the number of times the Committee met throughout that period and the individual attendances of the members at those meetings; and
 - (b) whether the Committee has undertaken a review of the Company's risk management framework.

14. Committee Performance Review and Evaluation

- 14.1. The Board will, at least once in each year, review the membership of the Committee and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise
- 14.2. The Committee will make an evaluation of its performance at least once every year to determine whether it is functioning effectively by reference to current best practice. The Board will oversee this assessment, with a view to ensuring that the evaluation processes accord with best practice. Such evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities in this Charter

15. Review

- 15.1. The Board will review this Charter every two years (or earlier if required) to determine its adequacy for current circumstances.
- 15.2. This Charter may be amended from time to time by resolution of the Board.

16. Administrative Matters

- 16.1. The proceedings of the Committee will be conducted in accordance with the provisions set out in **Annexure 1**.

Schedule 1 - Definitions

General terms and abbreviations used in this Charter have the following meaning set out below:

ASX	means ASX Limited ABN 98 008 624 691 or the securities market operated by ASX Limited, as the case may be.
ASX Listing Rules	means the listing rules of the ASX, as amended from time to time.
ASX Principles	means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition, 2019).
Board	means the board of Directors of the Company.
CEO	means the Managing Director and chief executive officer of the Company.
CFO	means the chief financial officer of the Company.
Committee	means the Audit & Risk Committee.
Committee Chair	means the chair of the Audit & Risk Committee.
Company	means Vitrafy Life Sciences Ltd.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Managing Director	means the managing director and CEO of the Company, or other equivalent executive.
Charter	means this 'Audit & Risk Committee Charter'.
Secretary	means the company secretary of the Company.

Annexure 1 – Administrative Matters and Procedures

Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet **twice per year**.

Quorum

The quorum is at least **two (2)** members present, either in person or by using technology.

Convening and Notice of Meeting

Any member may, and the Secretary must upon request from any member, convene a meeting of the Committee.

Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Secretary will distribute in advance of the meeting of the Committee the agenda and related papers to each of the Committee members or any other persons determined by the Committee.

Voting at Meetings

The Committee should pursue collective decision-making and seek consensus where possible. The Committee Chair should test consensus and, if a unanimous view cannot be reached, decisions will be based on a majority view.

Each Committee member will have **one (1)** vote. If any equal number of votes is cast for and against a resolution, the Committee Chair does not have a casting vote in addition to their vote as a Committee member and the resolution is not passed.

Independent Advice

The Committee may seek the advice of the auditors, solicitors or other independent advisors, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee.

Minutes

Minutes of the meetings of the Committee must be kept by the Company Secretary and, after approval by the Committee Chair, be presented at the next relevant Board meeting.

Reporting

It is intended that the Committee Chair will present a verbal update of the actions of the Committee at the next Board meeting following a meeting of the Committee.