

**VISIONEERING TECHNOLOGIES, INC.**  
**AUDIT AND RISK COMMITTEE CHARTER**

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**1 Purpose**

The Audit and Risk Committee (**Committee**) is established by the Board of Directors (**Board**) of Visioneering Technologies, Inc. (**VTI**).

This Charter governs the operations of the Committee and sets out the membership, operation and responsibilities of the Committee. The Committee has the authority and power to exercise the role and responsibilities set out in this charter and any separate matters granted to it by the Board from time to time.

The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to VTI's:

- (a) financial reports;
- (b) financial reporting processes;
- (c) audit processes and external auditors;
- (d) risk management systems (financial and non-financial); and
- (e) legal and regulatory compliance framework.

However, the Board retains ultimate responsibility for each of these matters, despite the delegations to the Committee.

The Committee relies on: management for the preparation and accuracy of VTI's financial statements; management for establishing effective internal controls and procedures to ensure VTI's compliance with accounting standards, financial reporting procedures and applicable laws and regulations; and VTI's external auditors for an unbiased, diligent audit or review, as applicable, of VTI's financial statements and the effectiveness of VTI's internal controls. The members of the Committee are not employees of VTI and are not responsible for conducting the audit or performing other accounting procedures.

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**2 Membership of the Committee**

**2.1 Membership**

The Committee should ideally consist of:

- (a) only non-executive directors;
- (b) only independent directors;
- (c) an independent chair; and
- (d) a minimum of three members.

Subject to the qualifications in ASX Listing Rule 12.7, if VTI is included in the S&P/ASX 300 index at the beginning of VTI's financial year, the composition of the Committee must satisfy the requirements above.

However, as a relatively small (amongst those listed on the ASX) and developing company, VTI may face particular issues in ensuring that the ideal composition for the Committee (as

set out above) is met. While VTI will aim for the Committee to meet that ideal composition, this may not always be possible, particularly while the operations of VTI are at the development and early commercialisation stage.

The Committee shall be comprised of three (3) or more directors appointed by the Board, each of whom shall be independent. The definition of “independence” for purposes of selecting Committee members shall meet the independence criteria set forth in the ASX Corporate Governance Principles & Recommendations.

The Chairman of the Board will appoint the Committee Chairman from one of the Committee members.

All Committee members must have a working familiarity with basic finance and accounting practices and be able to read and understand fundamental financial statements, including VTI’s balance sheet, income statement and cash flow statement, at the time of their appointment to the Committee, as determined by the Board. At least one Committee member must be a qualified accountant or otherwise have expertise in financial accounting and reporting, as determined by the Board. Between them, the members of the Committee should have a sufficient understanding of the industry in which VTI operates to be able to discharge the Committee’s mandate effectively.

At least one member of the Committee must be an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise.

## **2.2 Appointment and term**

The members of the Committee will be determined by the Board having regard to section 2.1 of this Charter. There is no prescribed term for membership. Membership of the Committee ceases when a member ceases to be a director of VTI.

The Board will review the membership of the Committee annually and may appoint additional directors to the Committee or remove (with or without cause) and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

In addition, no member of the Committee shall receive any consulting, advisory, or other compensatory fee from VTI, other than compensation paid to such member as a director of VTI and member of one or more committees of the Board.

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## **3 Administrative matters**

### **3.1 Meetings**

The Committee will meet as often as necessary to undertake its role effectively but must meet at least quarterly. The quorum necessary for a meeting of the Committee will be a majority of the members and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Committee. Unless otherwise stated herein, the Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Company Secretary must, on request from any Committee member, convene a meeting of the Committee. Unless all Committee members otherwise agree, at least 24 hours’ notice must be given to every Committee member of every Committee meeting. Acknowledgment of receipt of notice by all members is not required before the meeting may be validly held.

Members of management may attend meetings of the Committee at the invitation of the Committee Chairman, but other than executive directors, must not be appointed as members

of the Committee. Notwithstanding the foregoing, the Committee shall meet regularly without such members of management present.

### **3.2 Access and external engagement**

The Committee has rights of access to management and to auditors without management present and rights to seek explanations and additional information.

The Committee may, upon notifying the Chairman of the Board, seek the advice of VTI's auditors or solicitors (at the cost of VTI) as to any matter pertaining to the powers or duties of the Committee.

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall receive appropriate funding from VTI, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to VTI's external auditors, any other accounting firm engaged to perform services for VTI, any outside counsel and any other advisors to the Committee.

### **3.3 Agenda and minutes**

The Company Secretary will:

- (a) attend all Committee meetings as minute secretary;
- (b) in conjunction with the Chairman of the Committee, prepare an agenda to be circulated to each Committee member before each meeting of the Committee; and
- (c) prepare minutes of each Committee meeting.

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## **4 Reporting**

The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate.

The Committee Chairman will provide a brief oral report at the Board meeting as to any material matters arising out of the immediately preceding Committee meeting, including all material audit, financial reporting, internal control, risk management and compliance matters. All directors will be permitted, within the Board meeting, to request information of the Committee Chairman or members of the Committee.

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## **5 Responsibilities**

### **5.1 Financial reporting**

The Committee is responsible for:

- (a) reviewing the annual and half yearly financial statements and any accompanying reports with management and the external auditor and if considered appropriate, to recommend their approval to the Board;
- (b) assisting the Board in determining the reliability and integrity of accounting policies and financial reporting and disclosure practices;

- (c) monitoring compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- (d) reviewing the appropriateness of the accounting principles adopted by management in the preparation of financial reports and to make recommendations to the Board regarding any changes in the accounting principles to be applied in preparing VTI's financial reports;
- (e) reviewing with management any significant accounting and financial reporting issues raised by the external auditor; and
- (f) discussing with management any significant movements in the financial statements between periods and from budget;
- (g) reviewing the completeness and accuracy of the Company's Corporate Governance Statement as required by ASX Listing Rules;
- (h) reviewing climate related financial disclosures (disclosures that enable users to assess VTI's exposure and approach to addressing climate-related issues, if any) in the Annual Report; and
- (i) reviewing the disclosure of the process used to verify the integrity of any periodic corporate report released to the market which is not audited or reviewed by an external auditor.

## **5.2 External auditing**

The Committee is responsible for:

- (a) engagement of the external auditor, including:
  - (i) the appointment, reappointment or replacement of the external auditor and the rotation of the audit engagement partner;
  - (ii) the remuneration and other contractual terms of the external auditor; and
  - (iii) the effectiveness and independence of the external auditor;
- (b) discussing with the external auditor the overall scope, strategy and timing of the external audit, including materiality levels and identified risk areas and making recommendations to the Board in connection with those matters;
- (c) reviewing and discussing with VTI's external auditors and management (i) any audit problems or difficulties, including difficulties encountered by VTI's external auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (ii) significant disagreements between management and the external auditor regarding financial reporting and (iii) management's response to these problems, difficulties or disagreements;
- (d) ensuring that any significant findings and recommendations made by the external auditor are received and discussed by the Committee on a timely basis;
- (e) reviewing, agreeing and approving the annual audit plan for VTI and its subsidiaries (if any) (including a review of the risk management and internal compliance and control procedures);
- (f) assessing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor, and establishing policies and procedures for the Committee's pre-approval of permitted services by the external auditor or other public accounting firms on an ongoing basis;

- (g) providing advice to the Board as to whether the Committee is satisfied that the provision of non-audit services is compatible with the general standard of independence, and if applicable, an explanation of why those non-audit services do not compromise audit independence, in order for the Board to assess whether it is in a position to make the statements required to be included in the financial statements and annual report of VTI;
- (h) establishing and overseeing procedures for the receipt, retention, consideration and treatment of any complaints received from within VTI or its subsidiaries (if any) regarding accounting, internal control and auditing matters and the confidential, anonymous submission by VTI employees of concerns regarding questionable accounting or auditing matters;
- (i) reviewing and discussing with VTI's external auditors (i) all critical accounting policies and practices to be used in the audit, (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors, and (iii) other material written communications between the auditors and management; and
- (j) keeping VTI's external auditors informed of the Committee's understanding of VTI's relationships and transactions with related parties that are significant to VTI.

### **5.3 Risk management**

The Committee is responsible for:

- (a) overseeing the establishment, methodology and implementation of the risk management procedures for VTI and its subsidiaries (if any) and the resourcing of the risk management procedures, including processes to ensure that there is:
  - (i) adequate internal control, containment and management of business risks and safeguarding of assets; and
  - (ii) a review of internal control procedures and the operational effectiveness of the procedures related to risk and control;
- (b) reviewing trends in the risk profile of VTI and its subsidiaries (if any);
- (c) evaluating the adequacy and effectiveness of the management reporting and control procedures used to monitor adherence to policies and limits approved by the Board for management of balance sheet risks;
- (d) evaluating the adequacy and effectiveness of the financial, non-financial and operational risk management control procedures of VTI and its subsidiaries (if any) by reviewing reports from management and external auditors;
- (e) evaluating the structure and adequacy of the insurance policies of VTI and its subsidiaries (if any) on an annual basis and recommending to the Board the annual insurance program;
- (f) evaluating the exposure to fraud of VTI and its subsidiaries (if any), and overseeing investigations of allegations of fraud or other breakdowns in internal controls;
- (g) reviewing the risk management framework at least annually to assess whether it continues to be sound and remains appropriate for the business;
- (h) making recommendations to the Board in relation to changes that should be made to the Company's risk management framework, or to the risk appetite set by the Board;

- (i) reviewing with management material cybersecurity risks facing VTI, and assessing the steps that management has taken or proposes to take to minimize such risks;
- (j) reviewing and approving all transactions in which VTI is a participant and in which parties related to VTI, including executive officers, directors, and other persons whom the Board determines may be considered related parties of VTI (for the purposes of Chapter 2E of the Corporations Act), have or will have a material direct or indirect interest;
- (k) reporting to the Board on the matters above, including specific material risks identified;
- (l) assessing if there are any material economic, environmental or social sustainability risks; and
- (m) reviewing with management and VTI's external auditors the adequacy and effectiveness of VTI's internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, VTI's internal controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such internal controls.

#### **5.4 Ethical and Legal Compliance**

The Committee's specific function with respect to compliance is to review and report to the Board regarding the appropriateness of the compliance procedures of VTI and its subsidiaries (if any), including:

- (a) reviewing the procedures in place to ensure compliance with applicable laws and regulations that are material to VTI and its subsidiaries, including any specific compliance requirements under the terms of any regulatory approvals granted in connection with the business;
- (b) reviewing compliance reports prepared by management in relation to compliance with legal or regulatory requirements;
- (c) reviewing mitigation measures that management has put in place to deal with legal or regulatory risks;
- (d) obtaining regular updates from management regarding any material litigation involving VTI or any of its subsidiaries (if any);
- (e) reviewing any material recommendations by regulatory agencies in relation to compliance with laws or regulations applying to VTI or any of its subsidiaries (if any);
- (f) periodically reviewing VTI's Code of Conduct and management's enforcement thereof as it relates to VTI's financial reporting process and internal control system; and
- (g) performing any other activities consistent with this Charter, VTI's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

## **5.5 Miscellaneous**

The Committee shall have the authority to delegate any of its powers to one or more subcommittees as the Committee may deem appropriate in its sole discretion, provided that the Committee will remain responsible for the exercise of any powers so delegated.

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## **6 Review of performance**

The Committee will periodically undertake an evaluation of its performance and shall present the results of the evaluation to the Board. The Board may evaluate the performance of the Committee as appropriate.

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## **7 Review and publication of this charter**

The Committee shall annually review this Charter to keep it up to date and consistent with the Committee's authority, objectives and responsibilities and report to the Board any changes it has made. The charter also may be amended by resolution of the Board.

This charter will be available on the Company's website and the key features will be published in the Corporate Governance Statement.

Approved on 15 December 2020

*(most recently amended on 15 December 2020)*