

.Audit, Compliance and Risk Committee Charter

Updated 16 June 2016

.the way we work .the way we relate .the way we serve .the way we learn .the way we play .the way we grow
.the way we inspire .the way we succeed .the way we lead .the way we work .the way we relate .the way we serve
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Vita Group Privacy Policy

1. Introduction

- 1.1 The Audit Committee (Committee) is a committee of the Board that assists the Board to verify and safeguard the integrity of the Company's financial reporting and ensure that the Company adequately manages its risks.
- 1.2 It is responsible for making recommendations to the Board of Directors on the adequacy of external audit, internal assurance, risk management and compliance procedures.
- 1.3 The objectives of the Committee reflect this important role and include the following:
 - (a) assisting the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the Company's:
 - (i) reporting of financial information;
 - (ii) application of accounting policies;
 - (iii) internal control system;
 - (iv) risk monitoring; and
 - (v) compliance with laws and regulation.
 - (b) providing a formal forum for communication between the Board and senior financial management;
 - (c) assisting Board efficiency by delegating tasks to the Committee where such tasks should be discussed in sufficient depth;
 - (d) ensuring the effectiveness of the internal and external audit and communication with the Board;
 - (e) monitoring the independence of the external auditor; and
 - (f) providing a forum for internal assurance.

2. Duties and responsibilities

- 1.4 The Committee is required to discharge the following duties:

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External reporting

- (g) report to the Board on:
 - (vi) the Annual and Half-Year Financial Reports and make recommendations to the Board for the adoption of these reports;
 - (vii) the adequacy of the Committee charter on an annual basis;
 - (viii) the appropriateness of the Company's material accounting policies and principles;
 - (ix) the reasonableness of significant estimates in the financial reports by making inquiries of management and the external auditor;
 - (x) the appropriateness of the accounting principles used and financial disclosures in conjunction with the external auditor;
 - (xi) the reporting of the Company's main corporate governance practices as required by the Australian Stock Exchange Listing Rules; and
 - (xii) the Committee's response to complaints regarding accounting and auditing matters.

Internal control and risk management

- (h) report to the Board on:
 - (xiii) internal processes for identifying and managing key risk areas, particularly:
 - (A) judgements and accounting estimates;
 - (B) business risk, including market risk and operational risk; and
 - (C) consideration of environmental, community and social risks.
 - (xiv) matters relating to the adequacy of the Company's risk management systems and control systems;
 - (xv) the Company's risk profile and risk management; and

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- (xvi) processes the Company has in place for assessing internal controls, particularly those related to areas of significant risk.

External audit

- (i) report to the Board and make recommendations on:
 - (xvii) the appointment of the external auditor and the effectiveness and independence of the external auditor;
 - (xviii) the external auditor's fee;
 - (xix) the terms of the engagement with the external auditor;
 - (xx) the scope of the external audit (particularly any identified risks) and any additional services;
 - (xxi) audit results and the implications of the external audit results on the control environment;
 - (xxii) representation letters signed by management and the consistency of the content of those letters with the Committee's knowledge of those matters;
 - (xxiii) any significant disagreements with management; and
 - (xxiv) management's response to the external auditor's findings.

Internal assurance

- (j) report to the Board on:
 - (xxv) activities, budget, staffing and organisational structure relating to the ability of the Company to maintain adequate systems of control;
 - (xxvi) adequacy and direction of the internal controls;
 - (xxvii) any results arising from assurance reviews and their implications; and
 - (xxviii) management's response to any internal assurance findings and recommendations.

Compliance activities

- (k) report to the Board on:
 - (xxix) the adequacy of the Company's compliance with its legal and regulatory obligations;
 - (xxx) the processes in place for ensuring changes to its legal and regulatory obligations are managed;
 - (xxxii) the scope of compliance assurance activities; and
 - (xxxiii) the effectiveness of plans to address any gaps identified in the Company's compliance.

3. Complaints procedures

1.5 The Audit Committee will respond to complaints regarding accounting, assurance and auditing matters. The complaints procedure will operate as follows:

- (l) complaints may be brought to the attention of the Audit Committee by management through the Committee Chairman;
- (m) the Audit Committee will determine the requirement for, and scope of, an investigation;
- (n) the CFO will investigate and report back to the Committee;
- (o) if the CFO is the subject of the complaint or if the Committee in its discretion so decides, the Committee will appoint another person to carry out the investigations and report back to the Committee;
- (p) the Audit Committee may request the external auditor to assist in the investigation; and
- (q) the Company Secretary will maintain a register of complaints and report to each Audit Committee meeting the details of any complaints received and the status of any outstanding complaints.

4. Meetings

1.6 The Committee will meet at least four times per annum. Two of the meetings must be prior to Board meetings at which the Half-Year and Annual Financial Reports are adopted.

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- 1.7 The Chairman of the Committee or the Chairman of the Board may call a meeting of the Audit Committee at any time, or if so requested by any member of the Committee.
- 1.8 A quorum will consist of two members.
- 1.9 The members of the Committee should meet with the external auditors without management personnel being present at least twice per annum. Such meetings with the external auditors should address, among other things, whether the auditor has received co-operation from management and whether there have been any impediments to carrying out their audit.

5. Authority

- 1.10 The Committee must hold private meetings with the CFO and the internal assurance manager(if any) at least twice per annum. The Committee requires that if the CFO or a senior member of his/her team identifies a problem in relation to external reporting, internal control, the external audit, internal assurance or other related matters and is not supported by management, he or she has a responsibility to report this to the Committee.

6. Committee Membership

- 1.11 The Committee should comprise a minimum of three non-executive members of the Board of Directors. To the extent practicable, a majority of members should be independent directors.
- 1.12 At least one member should have accounting, or related financial management expertise.
- 1.13 Members should be given the opportunity to attend technical or professional development courses to assist them in keeping up to date with legislative, accounting or other relevant issues. Members should be given the opportunity to attend risk management training associated with the Company's risk management programs.
- 1.14 New members should be provided with a copy of the Committee's Charter and other specific information about the Company.
- 1.15 The Managing Director, CFO, Financial Controller and the external auditors will be invited to attend meetings as required.

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7. Chairman

- 1.16 The Chairman of the Committee will be a director appointed by the Board. The Chairman of the Board should not be the Chairman of the Committee.
- 1.17 The Chairman of the Committee should report formally to the Board. This report should include the Committee's meetings, any formal recommendations of the Committee and any other issues of which the Committee believes the Board should be made aware.

8. Secretary

- 1.18 The Company Secretary will be the Committee secretary.
- 1.19 The Secretary, in consultation with the Chairman, will prepare an agenda and circulate it to each member of the Committee at least 48 hours before each meeting.
- 1.20 The Secretary should prepare the minutes of the Committee meetings.

9. Auditor Rotation

- 1.21 The audit engagement partner and the review partner are to be rotated at least every five years.

10. Charter review

- 1.22 The Committee will review this Charter annually.