

AUDIT & RISK COMMITTEE CHARTER

1. Constitution

The Audit & Risk Committee (**Committee**) has been established by resolution of the board of directors of Nyrada Inc. ARBN 625 401 818 (**Company**). Until such time that the Committee is constituted, the board of directors of the Company (**Board**) will act in its place.

2. Role of the Committee

The role of the Committee is to provide an objective, non-executive review of the effectiveness of the Company's financial reporting and risk management framework, and to assist the Board in carrying out its accounting, audit, risk management, regulatory compliance and financial reporting responsibilities, including oversight and review in respect of:

- (a) the integrity of the Company's external financial reporting and financial statements;
 - (b) the appointment, remuneration, independence and competence of the Company's external auditors;
 - (c) the overall policy direction of the audit, compliance and risk management functions;
 - (d) systems to ensure effective management of financial and non-financial risks;
 - (e) the Company's systems and procedures for compliance with relevant laws, regulations and codes;
 - (f) the internal and external audit processes including review of the annual internal audit plan and monitoring of progress and internal audit reports; and
 - (g) the Company's internal control framework.
-

3. Authority

The Committee is authorised by the Board to perform all activities within the scope of this Charter, including:

- (a) requesting reports to be prepared for review by the Committee;
- (b) seeking such information as it requires from any employee or external party, and securing the attendance of external parties with relevant experience, in order to carry out its responsibilities;
- (c) requesting the preparation and maintenance of policies and procedures;
- (d) obtaining external advice on matters relevant to the responsibilities of the Committee;
- (e) administering the process for the appointment and management of the external auditors; and
- (f) ensuring there are effective mechanisms for the reporting of risk, financial and internal control information by staff and external stakeholders to the Committee.

4. Composition of the Committee

4.1 Membership

The Committee shall be appointed by the Board from among the directors of the Company. Where possible, the Committee shall consist of not less than three members, with a majority of the members being independent directors. No executive directors may be members of the Committee.

Each member of the Committee must be financially literate and have sufficient financial knowledge to allow them to discharge their duties and actively challenge information presented by management, internal and external auditors. At least one member of the Committee must be a qualified accountant or other finance professional with experience of financial and accounting matters.

4.2 Chair

The Committee shall appoint any independent director of the Company (other than the chair of the Board) as the Chair of the Committee.

4.3 Secretary

The Company Secretary shall be the Secretary of the Committee.

5. Committee meetings and processes

5.1 Quorum

A quorum shall be two members. All Committee members and the Secretary should attend each meeting of the Committee. Should a member not be available to attend a meeting, they are to notify the Chair or the Secretary of the Committee.

The Committee may, with the consent of the Chair of the Committee, invite other people to attend meetings as required.

5.2 Meeting Frequency

The Committee meetings will be held not less than two times a year to enable the Committee to undertake its role effectively.

5.3 Reporting

The Secretary of the Committee will circulate an agenda and supporting papers in advance of each meeting and make other arrangements as directed to facilitate information being provided to the Committee.

The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and amendment before being signed by the Chair of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

6. Responsibilities of the Committee

6.1 External reporting

The Committee is responsible for:

- (a) overseeing the external reporting process;

- (b) reviewing the appropriateness of the accounting policies and the significant estimates and judgments adopted by management in the preparation of external reports;
- (c) reviewing management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting;
- (d) reviewing the Company's main corporate governance practices as required by ASX Listing Rules, including those relating to continuous disclosure;
- (e) reviewing the representations made by management in relation to external reporting;
- (f) assessing information from internal and external auditors that affects the quality of external reports; and
- (g) making a recommendation to the Board in respect of whether the external reports should be approved.

6.2 Reporting from CEO and CFO

The Committee may, before it recommends that the Board approves the Company's external reports, require the receipt from its Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) a statement that provides assurance to the Board in accordance with legislative requirements and the ASX Corporate Governance Principles and Recommendations.

6.3 External auditor

The Committee is responsible for:

- (a) ensuring the adequacy, expertise and independence of the external auditor;
- (b) making recommendations to the Board on the appointment, tenure, remuneration and terms of engagement of the external auditor;
- (c) reviewing the external auditor's engagement and performance annually and being satisfied that the external auditor is adequate and independent, having regard to the relevant legislation and regulatory requirements;
- (d) ensuring there is unfettered access for the external auditor to raise matters directly with the Board or the Committee, including inviting the external auditor to attend Committee meetings to present the audit plan, discuss audit results and consider the implications of external audit findings;
- (e) ensuring that the external auditor attends the Company's annual general meetings and is available to answer questions from shareholders relevant to the audit;
- (f) reviewing regularly the scope of the external audit to ensure that it covers all material risks and financial reporting requirements;
- (g) monitoring management's response to the external auditor's findings and recommendations and overseeing management's processes for ensuring that issues identified are addressed in an appropriate and timely manner;
- (h) meeting with the external auditor without management present at least annually; and

- (i) requiring that the lead external audit engagement partner normally be rotated every five years, or more frequently if the Committee considers it desirable to maintain the external auditor's independence.

6.4 **Internal audit**

The Committee is responsible for:

- (a) ensuring the adequacy, expertise, performance and independence of the internal audit function, and for overseeing management's processes for ensuring that internal audit is adequately resourced and skilled for the size and corporate complexity of the Company;
- (b) ensuring that there is unfettered access for the internal audit function to all business operations of the Company;
- (c) regularly reviewing and approving the internal audit plan and work program to ensure that it covers all material risks and financial reporting requirements;
- (d) satisfying itself that internal audit processes are clearly documented and subject to regular review; and
- (e) monitoring management's response to the internal audit findings and recommendations and overseeing management's processes for ensuring that issues identified are addressed in an appropriate and timely manner.

6.5 **Internal control and risk management**

The Committee is responsible for:

- (a) assisting the Board in setting the risk management policy and appetite and monitoring whether the business is operating within that policy and appetite;
- (b) reviewing management's system of risk management and internal control at least annually to ascertain whether it continues to be sound;
- (c) reviewing the steps taken by management to monitor and manage all material risks consistent with the strategic objectives, risk appetite and policies approved by the Board;
- (d) ensuring that the Company has in place appropriate systems and procedures to ensure compliance with all relevant laws, regulations, codes, standards and best practice guidelines;
- (e) reviewing any material insurance matters including, as appropriate, insurance programs and deeds of indemnity, insurance and access;
- (f) considering reports concerning material risk events and incidents and overseeing management's processes for ensuring that issues identified are addressed in an appropriate and timely manner; and
- (g) ensuring appropriate disclosures are made regarding any material exposure the Company has to economic, environmental and social sustainability risks.

7. Committee's performance evaluation

The Committee will annually revisit its objectives and duties and evaluate the effectiveness of its performance.

8. Review of this Charter

The Charter is approved by the Board and will be reviewed by the Committee periodically. This Charter may be amended by resolution of the Board.

Date of last review: 20 November 2019