

# NEWZULU LIMITED

## AUDIT AND COMPLIANCE COMMITTEE

### CHARTER

#### 1. Purpose

The primary purpose of the Audit and Compliance Committee is to ensure independent oversight of the accounting functions and internal controls of Newzulu, its subsidiaries and affiliates and to ensure the objectivity of Newzulu financial statements and reporting to the public and regulatory bodies, and adequate procedures are in place to ensure compliance by Newzulu with its legal requirements and ethical standards.

The Committee and the board shall have the ultimate authority and responsibility in appointing Auditors. The Committee shall also review and advise the Board with respect to Newzulu risk management policies and tax policies

#### 2. Functions

The Audit and Compliance Committee shall perform the following functions:

##### 2.1 Auditors

Recommend to the Board the firm of Auditors to be appointed by Newzulu.

Approve the scope of work of the Auditors, review the letter of engagement of Auditors and their fees. Where appropriate recommend a replacement for the Auditors.

Review and assess non-audit services to be provided by the external auditors, with particular consideration to the potential of those services to impair the external auditors' judgement or independence in respect of the Company.

Review all management letters issued by the auditors and review any significant recommendations by the auditors to strengthen the internal controls and reporting systems of the Company.

##### 2.2 Accounting Standards

Inform the Board of significant developments in accounting rules and recommend the board as to any changes in Newzulu methods of accounting and financial statements. The committee also shall review with the Auditors any significant proposed changes in accounting standards and laws that will impact on the form and content of the financial statements and directors' report.

##### 2.3 Financial Disclosure Documents

Review of all published financial accounts of the Company which require approval by the Board of Directors, and discussion of the accounts with the external auditors and management prior to their submission to the Board. Ensure on time filing of all statutory reports and financial Statements.

## **2.4 Internal Controls**

Review with management Newzulu internal control systems intended to ensure the reliability of financial reporting and compliance with applicable codes of conduct, laws and regulations.

Review adequacy and effectiveness of levels of authority for capital expenditure, travel authorisations, treasury and banking functions.

Ensure adequate control and reporting systems are in place between Newzulu and its subsidiaries.

Review adequacy of the company's account keeping, internal reporting and record keeping procedures.

## **2.5 Risk Management**

Review and evaluate risk management policies in the light of Newzulu business strategy, capital strength, and overall risk tolerance. The Committee shall periodically reassess the adequacy of its insurance policies and treasury risk management instruments in the light of operational and financial risks

## **2.6 Tax Policies**

Review periodically Newzulu tax policies and any pending audits or assessments.

## **2.7 Compliance**

Ensure that effective controls are implemented to comply with the Corporations Act and accounting standards, regulations and statements from ASX, ASIC, ATO and other regulatory bodies, ethical standards, and Newzulu's own corporate governance policies.

Ensure adequate procedures are in place for complying with all other legal requirements including employment legislation, intellectual property, superannuation, health and safety, insurance and environmental legislation.

Consult with management on the establishment and maintenance of an environment that promotes ethical behaviour, including the establishment and enforcement of codes of conduct to guard against dishonest, unethical, or illegal activities.

Update the board concerning to changes to relevant legislation affecting the operations of Newzulu where the Committee believes it is necessary.

## **2.8 External Legal advisers and Litigation**

Ensure adequate procedures are in place for appointing, briefing and overseeing external legal advisers.

Ensure adequate procedures are in place for initiating and conducting litigation.

## **2.9 Adequacy of Personnel**

Review periodically the adequacy of Newzulu accounting, financial auditing and legal personnel resources.

## **2.10 Amendments to Terms of Reference**

Review of the charter periodically, assess its adequacy and propose appropriate amendments to the Board.

## **3. Composition and Operation of the Committee**

### **3.1 Members**

The committee shall comprise a minimum of 2 members appointed by the Board of Directors. At least one member of the Committee shall be a non-executive director of Newzulu. Other members of the Committee need not be directors. No member of the Committee shall be employed or otherwise affiliated with Newzulu's auditors.

The Chief Financial Officer or their delegate may attend meetings by invitation.

Members of the committee shall be appointed for 2 years or such other period as specified by the Board of Directors.

The Chairman of the committee shall be determined by the Board of Directors but should be a non-executive director and should not be the Chairman of the Board. If for any reason the Chairman is unable or unwilling to chair a meeting then the committee may elect one of their number as Chairman for that meeting, provided that such person is a non-executive director.

Although Newzulu has established a separate Charter for the A&CC, the committee is presently comprised of the full Board.

### **3.2 Quorum and Meetings**

A quorum of the Committee shall be a minimum of two persons and comprise at least one non-executive director. The committee shall meet on a regular basis and meetings shall be held in any manner approved for the holding of a meeting of the Board of Directors.

The auditors may be invited to all meetings of the Committee.

### **3.3 Reports**

The Committee will report to the Board from time to time with respect to its activities and its recommendations. When presenting any recommendation or advice to the Board, the Committee will provide such background and supporting information as may be necessary for the board to make an informed decision.

The Committee will keep minutes of its meetings and will make such minutes available to the full Board for its review.

### **3.2 Other Authority**

3.4.1 The Committee, and each of its members, are authorised to confer with the management and employees of Newzulu and conduct whatever investigations in the company's affairs to the extent it may deem necessary or appropriate to fulfil their duties. The Committee is authorised to conduct or authorise investigations into matters within the Committees' scope of responsibilities. The Committee may seek external advice to the extent it

deems appropriate, provided it shall keep the Board advised as to the nature and extent of such external advice.

- 3.4.2 The authority under 3.4.1 shall extend to Non-executive Directors of Newzulu who are not members of the Audit and Compliance Committee.