

## **ROSS HUMAN DIRECTIONS LIMITED AUDIT COMMITTEE CHARTER**

### ***Composition, Structure and Membership***

The Ross Human Directions Limited (RHD) Audit Committee (“the Committee”) has been established by the board of directors. Members of the Committee are appointed by the board.

The Committee shall consist of:

- At least three members;
- Non-executive directors of RHD (the majority of whom are independent);
- Financially literate Members. At least one should have a professional background and experience in financial and accounting matters; and
- The chairperson of the committee must be independent and must not be the chairperson of the Board of Directors

The board shall appoint the Committee and its Chairman on an annual basis.

The Managing Director, Chief Financial Officer, Group Financial Controller and Chief Operating Officer shall be entitled to attend, by invitation, all meetings of the Committee.

The members of the Committee must not receive any fees in addition to normal directors emoluments for any consulting / advisory or other services provided to the group.

A Secretary or the Company Secretary will attend committee meetings and take minutes of the meeting.

The Chairman shall be required to call a meeting of the Committee if requested to do so by any Committee member, the Managing Director or the external auditor.

### ***Meetings***

The Committee shall meet at least twice each financial year.

The quorum of the committee shall be two.

The committee shall meet independent of management and the auditor at least twice a year.

### ***Access to Information and Independent Advice***

The Committee has the authority to request and obtain any information from RHD employees and employees must comply with these requests.

The Committee may obtain advice from professionals on accounting, legal or other relevant matters as necessary to perform its duties.

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### ***Responsibilities***

The responsibilities of the Committee include the following:

- review, assess and approve the annual and half year financial report and all other financial information published by the company or released to the market. In meeting this responsibility, the Committee will:
  - review the appropriateness of the Group's accounting policies ensuring they are in accordance with Accounting Standards, Urgent Issues Group Consensus Views and Statements of Accounting Concepts;
  - review and assess significant accounting estimates and judgements in financial reports. This will involve making enquiries of management in relation to the methods and assumptions used in making these estimates;
  - review management's processes for ensuring compliance with relevant laws and regulations in relation to the preparation of financial reports;
  - meet with the external auditor for an independent assessment of the internal control environment and management controls. In addition, the Committee will cover an assessment of the information provided in the annual / half-year report (including the appropriateness of accounting policies, compliance with Accounting Standards, Corporations Law, listing rules and other reporting requirements; and
  - assist the Board in its assessment of the "truth and fairness" of the annual / half-year report and make recommendations to the board as to whether or not the Directors' Report and Directors' Declaration should be signed;
- assist the board in reviewing the effectiveness of the organisations internal control environment covering:
  - effectiveness and efficiency of operations;
  - reliability of financial reporting; and
  - compliance with applicable laws and regulations;
- oversee the effective operation of the risk management framework;
- recommend to the board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;

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- consider the independence and competence of the external auditor on an ongoing basis;
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- review and monitor related party transactions and assess their propriety;
- report to the board on matters relevant to the Committee's role and responsibilities.

In fulfilling its responsibilities, the audit committee:

- receives regular reports from management and the external auditors;
- meets with the external audit at least twice yearly or more frequently if necessary;
- reviews the processes the MD and CFO have in place to support the certifications to the board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- meets separately with the external auditors at least twice a year without the presence of management; and
- provides the external auditors with a clear line of direct communication at any time to either the Chairman of the audit committee or the Chairman of the board.

The company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

Where the incumbent auditor is removed (as approved by the Board and/or members as required by law) and the external audit work is tendered out, the tendering process should be conducted by the Committee with the assistance of management.

The Committee is to ensure that the audit engagement partner and senior audit staff are replaced by a new engagement partner/staff at least every 5 years or as stipulated by legal requirements.

The Committee should review and agree the terms of the auditor's engagement letter prior to the commencement of each audit and review the scope of the external audit with the external auditor with a focus on any identified risk areas.

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The Committee should oversee the independence of the external auditor based on any relationships between the auditor and the company or its officers/associates that may impair the auditor's independence and require the external auditor to provide the Committee with an Independence Declaration annually confirming that the external auditor has satisfied independence requirements as required by regulators.

***Committee Performance***

The Committee shall evaluate its performance at least once per annum to ensure that it is performing effectively in accordance with this Charter. The Committee should seek independent feedback on its performance from the Board and the external auditor.

The Charter should be reviewed from time to time as required and updated as appropriate for changes in statutory regulations and/or best practice on corporate governance.