

# R H I N O M E D

## REMUNERATION AND AUDIT COMMITTEE CHARTER

### 1. General

- 1.1. The Audit and Remuneration Committee is a sub-committee of the Board established to assist the Board discharge its responsibilities.
- 1.2. In performing its duties, the Committee will maintain effective working relationships with the Board, management and the internal and external auditors.
- 1.3. Any Director who is not a member of the Committee will have the right to attend meetings of the Committee.
- 1.4. At the discretion of the Committee, the chief finance officer, group financial controller and external auditor will attend meetings.
- 1.5. A quorum to transact the affairs of the Committee is two persons or a majority of the
- 1.6. Committee, whichever is greater. Prior to each meeting, the Committee will convene privately (without management in attendance) in separate sessions with the External auditor.

In particular the Committee will assist the Board by its oversight and review of:

- o Employee remuneration;
- o Financial reporting;
- o Risk management;
- o Internal control;
- o Auditor independence and performance;
- o Compliance with laws and regulations.

### 2. Scope and authorization

The Committee is authorised, within the scope of its responsibilities, to:

- 2.1. Seek information it requires from any employee, the external auditor and/or any external party;
- 2.2. Obtain outside legal or other professional advice at the Company's expense, and initiate special investigations as deemed necessary. The Committee will meet at least quarterly 'face-to-face' or more frequently as required. Special meetings may be called at the request of any

Committee member, the external auditor or internal auditor;

# R H I N O M E D

The Committee will:

- 2.3. Determine the CEO's remuneration package;
- 2.4. Identify and where appropriate engage a source of advice (independent from management) on remuneration matters;
- 2.5. Develop policies relating to significant terms and conditions of employment likely to have a substantial impact on the organisation and/or employees;
- 2.6. Review the half-year and annual financial reports prior to their consideration by the Board.
- 2.7. This will include a discussion with the auditors of any major transactions and accounting issues, accounting policies adopted and the proposed audit report;
- 2.8. Assess any proposed changes in accounting practices or policies (by May each year), prior to their consideration by the Board. In addition, the Committee will review any accruals, provisions, asset revaluations or estimates that significantly affect the financial report as well as other sensitive matters, such as disclosure of related party transactions;
- 2.9. Review jointly with management, the external auditors and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, which could have a material effect upon the financial position or operating results of the Company. The Committee will also review the manner in which these matters have been disclosed in the financial report;
- 2.10. Discuss with the external auditor the auditor's judgments about the quality and acceptability of the Company's accounting principles;
- 2.11. Review with the external auditor issues such as the clarity of the Company's financial disclosures and other significant decisions made by management in preparing the financial report.
- 2.12. Consider any other matter, which affects its recommendation to the Board concerning the adoption of the financial report;
- 2.13. Monitor the standard of corporate conduct in transactions with related parties;
- 2.14. Monitor the adequacy of financial information provided to the Board;

### **3. Internal Control, Risk Management and Ethics.**

The Committee will:

- 3.1. Satisfy itself that management is ensuring an appropriate organisational culture committed to ethical and lawful behaviour, internal control and risk management;
- 3.2. Assess management's programs and policies that deal with the adequacy and effectiveness of internal controls over the Company's business processes;
- 3.3. Evaluate the overall effectiveness of internal control and risk management

# R H I N O M E D

framework;

- 3.4. Assess the treatment of existing and emerging risks each quarter;
- 3.5. Annually review fraud risk in the Company;
- 3.6. Monitor the adequacy of insurance coverage for the Company;
- 3.7. Review the effectiveness of business continuity planning for the Company;

The Committee will monitor:

- 3.8. Compliance with laws and regulations;
- 3.9. Processes for the management and exercise of delegations;
- 3.10. Processes to ensure compliance with ASX Rules and principles for Financial Reporting;
- 3.11. Updates from management and legal counsel regarding compliance matters that may have a material impact on the Company's External Auditor Independence.