

AUDIT AND RISK COMMITTEE CHARTER

1. Purpose of Charter

The Board has established an Audit and Risk Committee, which reports to the Board. The purpose of this Charter is to set out the roles and responsibilities as well as the structure, composition and membership of the Audit and Risk Committee.

2. Role and Responsibilities of the Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in fulfilling its corporate governance responsibilities with regard to:

- The reliability and integrity of information for inclusion in the Company's financial statements;
- Enterprise-wide risk management;
- Review of legal and regulatory risks including audit, accounting, tax and financial reporting risks;
- Compliance with legal and regulatory obligations including audit, accounting, tax and financial reporting obligations;
- The integrity of the Company's internal control framework; and
- Safeguarding the independence of the external auditors.

In particular, the Committee is to undertake the functions of the Audit and Risk Committee set out in the ASX Corporate Governance Principles.

3. Membership

The Committee is appointed by the Board. The Board shall appoint the Committee from time to time and review the composition of the Committee annually.

The following rules apply to the membership of the Audit and Risk Committee:

- There will be at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors;
- All members will be financially literate;
- At least one member must be a qualified and experienced financial expert; and
- The Chair of the Audit and Risk Committee must be an independent Director who is not also Chairman of the Board.

It is the responsibility of the Chair of the Audit and Risk Committee (with the assistance of the Company Secretary) to schedule all meetings of the Audit and Risk Committee and, to provide the Audit and Risk Committee with a written agenda.

The Company Secretary is to attend all Committee Meetings to ensure minutes are taken of the Meeting.

4. Meetings

The Committee will meet as frequently as required to undertake its role effectively and in any event at least twice per annum. Additional meetings may be requested through the Committee Chair by any member, the Company Secretary, or the relevant partner from the external auditor. A quorum for a Committee Meeting is two members. Each member shall have one vote and the Chair of the Committee will not have a second or casting vote.

Recommendations of the Committee are to be referred to the Board for approval, with the exception of the approval of the audit plans of the external auditor.

5. Access to Information and Independent Advice

The Committee has the authority to seek any information it requires from any employee of the Company and all employees must comply with such any such reasonable requests. The Committee has the right to obtain information, interview management and internal and external auditors (with or without management present).

The Committee may seek such independent legal, financial or other advice as it considers necessary or appropriate.

6. Duties and Responsibilities

Overview

The function of the Committee is oversight. Committee members are entitled to rely on Management for matters within their responsibility and on external professionals on matters within their areas of expertise. Committee members may assume the accuracy of information provided by such persons, so long as the members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.

Management is responsible for:

- The preparation, presentation and integrity of the Group's financial statements;
- Implementing, managing and maintaining appropriate enterprise-wide accounting, financial reporting and risk management systems, policies and procedures, reporting protocols and internal controls;
- Implementing, managing and maintaining appropriate enterprise-wide tax risk management systems, policies and procedures, reporting protocols and internal controls; and
- The preparation, presentation and integrity of the information provided to the Committee, including regular summarized progress updates to the board or sub-committee on how the above issues and risks (including tax) are trending.

The external auditor is responsible for planning and carrying out each audit and review in accordance with applicable auditing standards. The external auditor is accountable to Shareholders through the Committee.

Understanding the Business

The Committee should understand the Company's structure and operations in order to be in a position to confirm with Management:

- the reliability and integrity of financial information, the integrity of RCG's internal control structure and compliance with audit, accounting and financial reporting obligations; and
- that the significant enterprise-wide risks faced by the Company have been identified and appropriate mitigation plans have been implemented.

Enterprise-wide Risk Management

The Committee confirms that Management has established and operates an enterprise-wide risk management system which is designed to identify, assess, monitor and manage risk throughout the Group. On a periodic basis, but not less than once per annum, management is required to provide the Audit and Risk Committee with a paper detailing each organisational risk identified, its potential impact on the business, and the risk mitigation strategies employed. So far as tax risk is concerned, the Tax Risk Management Policy will address the form and frequency of reporting.

The Committee uses this reporting as a basis for ensuring that enterprise-wide risk is properly managed. Moreover, at each meeting of the Board management is required to notify the Board of any changes to the underlying risk profile of any risk item and/or whether or not any new risk items have been identified.

The Committee shall:

- Review the Company's assessment of material risks and form an opinion on the adequacy and effectiveness of the risk assessment.
- Consider the effectiveness of the Company's internal controls, and relevant reports from the internal auditor.
- Review the Company's risk profile as developed by management and monitor emerging risks and changes in the Company's risk profile.
- Report any material changes in risk profile to the Board.
- Where the Committee identifies opportunities to create value by taking on further or different risks, make recommendations to the Board on the strategies that could be undertaken to capitalise on the identified opportunities.

Evaluation of Policies and Controls

The Committee will consider the adequacy and effectiveness of the Company's administrative, operating, tax and accounting policies and internal control framework through communication with management and the Company's auditor.

To assist in the Committee's oversight of the Company's internal control framework, Management will carry out or engage parties to carry out periodic internal control testing to assure the board that the internal control framework (for the abovementioned matters, including tax) is robust and report on these matters to the Committee on a periodic basis.

Financial Reporting

The Committee shall:

- Review with management and the external auditors, the financial statements released to shareholders.
- Ensure that the financial statements comply with accounting standards, reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of RCG and are not misleading.
- Require management to inform the Committee as to:
 - the compliance with current Australian Accounting Standards and other regulatory requirements;
 - changes in accounting policies during the period; and
 - outline the methods used in accounting for specific transactions where there is no definitive accounting standard.
- Require external auditors to inform the Committee of their views in relation to the above.
- Review management's representations in respect of the accounts and make recommendations to the Board in connection with adoption of the accounts. This includes reviewing the representations that management makes to the auditors in the Management Representation letter.

Assessment of Systems of Financial Risk Management and Internal Control

The Committee shall:

- Discuss with management and the external auditor the Company's accounting and financial controls, including the policies and procedures to assess, monitor and supervise financial risk, business risk, tax risk, legal and ethical compliance programs for the purpose of forming a view as to the effectiveness of these controls, policies, procedures and programs.
- Discuss with management and the external auditor the Company's accounting policies and methods for the purpose of forming a view as to the appropriateness (as opposed to the acceptability) and objectivity of these policies and methods.
- Review all reports produced by the external auditor and management's response to the matters raised therein and become satisfied that accounting records are properly maintained in accordance with statutory requirements.
- Obtain reports from time to time from the external auditor on the critical policies and practices of the Company and on all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.
- Make any recommendations to the Board, as appropriate, in connection with the items listed above, or any recommendations for the appointment or, if necessary, dismissal of the head of internal audit.
- Review all related party transactions involving the Company.

Tax Risk Management

The Committee will, in conjunction with the Board, monitor the Group's compliance with its tax obligations and on how tax issues and risks are trending (i.e. high, medium or low risk). This includes the effective tax rate of the business, whether the amount of tax paid aligns with business

results and where relevant, reasons for significant misalignment, and whether any positions adopted fall outside established ATO safe harbour thresholds.

The Committee will also consider the potential effects on the Company of any new or proposed tax laws or administrative practices, together with trends in tax administration.

Legal and Regulatory Compliance

The Committee will, in conjunction with the Board, monitor the Group's compliance with all relevant statutory and regulatory obligations, including the Company's continuous disclosure obligations and all internal policies and procedures.

The Committee will consider the effects on the Company of any new or proposed accounting or tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

Auditors

The Committee will:

- Recommend to the Board the appointment, reappointment or replacement of the external auditor;
- Agree the fees to be paid to the auditor;
- Review and approve the audit plans of the auditor;
- Agree with the auditor the overall scope of the audit, including identified risk areas and any additional agreed-upon procedures;
- Consider the overall effectiveness and independence of the auditor;
- Resolve any disagreements between Management and the auditor regarding financial reporting;
- Monitor and note compliance by the auditor of the independence requirements imposed by the Corporations Act; and
- Review and approve the Auditor's Independence Declaration to be provided to the Directors.

The Committee shall:

- Require the external auditor to confirm in writing that they have complied with all professional and regulatory requirements relating to auditor independence prior to the completion of each year's accounts. The report will also delineate all relationships between the external auditor and the Company and describe the external auditor's internal quality control procedures. The report is an addition to any other declaration that the external auditor must provide pursuant to the Corporations Act.
- Recommend to the Board the appropriate disclosure in each year's accounts of the full details of fees paid to the external auditor, including an analysis of non-audit services, and provide written advice to the Board as to whether the provision of non-audit services by the external auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act, and has not compromised that independence, together with reasons upon which that advice is based.

- Require that the lead external audit engagement partner be rotated if the Committee considers it desirable to maintain the external auditor's independence.

On an annual basis, the Committee will review a report from the auditor describing:

- any material issues raised by the most recent quality control, or peer review, of the audit firm and any steps taken to deal with any such issues; and
- all relationships between the external auditor and the Company or Management (to assess the auditor's independence).

Prohibited Services from an External Auditor

The external auditor must not provide services that are in conflict with the external auditor's role as statutory auditor or that would otherwise impair or be perceived to impair the external auditor's independence. Generally, these services include services where the external auditor:

- participates in activities that are normally undertaken by management;
- is remunerated through a "success fee" structure;
- acts in an advocacy role for the Company; or
- may be required to audit or express an opinion on its own work.

Examples of services that may not be performed by the external auditor include management consulting, IT systems design or implementation, valuation services (except where related solely to tax affairs), bookkeeping, accounting and payroll services, broker, dealer or investment advisory services, litigation or legal advocacy services, recruitment and human resource services, internal audit services, actuarial services, acquisition valuations or valuations for purchase price allocations, fairness opinions and preparation of sale documentation.

Non-Audit Services and Pre-Approval

The external auditor will be permitted to provide non-audit services that are not perceived to be in conflict with the role of auditor such as tax compliance services, advice on application of appropriate accounting standards, audits or verification of regulatory returns and other compliance-type activities.

Based on recommendations from management, the Chairman of the Committee may also approve performance of non-audit services by the external auditor, where such services require a detailed knowledge of the Company's activities in order to decrease costs and maximize output efficiencies.

This consultation process will occur where the individual service is estimated to cost in excess of 20% of the annual external audit fee. The Chairman of the Committee will also consult with other members of the Committee, the external auditor, and management as appropriate and examples of such services include:

- Strategic tax advice;
- Due diligence on potential acquisition/investments;
- Investigating accounting assignments; and
- Corporate finance advice (deal structuring and execution).

7. Annual Review

To determine whether it is functioning effectively, once each year:

- The Committee's performance and effectiveness will be evaluated;
- The Committee's membership will be reviewed; and
- This charter will be reviewed.