

# Audit Committee Charter

Approved by the Board of  
Ramsay Health Care Limited  
on 22 February 2022.

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**Ramsay**  
Health Care

# Audit Committee Charter

## OVERVIEW

The Board of Ramsay Health Care Limited (the **Company**) has established an Audit Committee to assist it with overseeing:

- financial and other periodic corporate reporting of the Company and its subsidiaries (together, the **Group**);
- the relationship with the external auditor; and
- the relationship with the internal auditor.

## MEMBERSHIP OF THE COMMITTEE

The Committee must consist of:

- only Non-Executive directors;
- a majority of independent directors;
- an independent director as chair, who is not Chairman of the Board; and
- a minimum of three members of the Board.

The Board may appoint additional Non-Executive directors to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.

All Non-Executive directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts. Other non-committee members, including members of management and the external auditor may attend meetings of the Committee at the invitation of the Committee chair.

At least one member of the Committee must also be a member of the Company's Risk Management Committee and vice-versa to facilitate the flow of relevant information between the two Committees.

It is intended that all members of the Committee should be financially literate and have familiarity with financial management and the members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Group operates to be able to discharge the Committee's mandate effectively. Where practicable, one member of the committee will be a qualified accountant or other finance professional with relevant financial and/or accounting expertise.

## ROLE & RESPONSIBILITIES

### Financial and other periodic corporate reporting

The responsibilities of the Committee in relation to financial reporting are as follows:

- (a) Review the Group's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Group, as a basis for recommendation to and adoption by the Board.
- (b) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Group's financial reports, including significant changes in the selection or application of accounting principles.
- (c) Review significant accounting, tax and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- (d) Review drafts of the CEO and CFO declarations which are to be provided to the Board relating to the Group's full year and half year financial statements.
- (e) Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.

- (f) Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.
- (g) Review the Group's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes. This includes reviewing the process to verify the integrity of any periodic corporate report the Company releases to the market that is not audited or reviewed by the external auditor.
- (h) Review any proposed payment of a dividend to shareholders.

## **INTERNAL CONTROL**

The responsibilities of the Committee in relation to internal control are as follows:

- (a) Consider the effectiveness of the Group's internal control framework.
- (b) Understand and review the scope of the internal and external auditors' review of internal control over financial reporting, obtain reports on significant findings and recommendations, and monitor management's responses.

## **External audit**

The responsibilities of the Committee in relation to the external audit are as follows:

- (c) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit.
- (d) Review the effectiveness of the annual audit, placing emphasis on areas where the Committee or the external auditors believe special attention is necessary.
- (e) Review with the external auditor its report regarding significant findings in the conduct of its audit and the adequacy of management's response, and monitor whether any issues are being managed and rectified in an appropriate and timely manner.
- (f) Review the performance, independence and objectivity of the external auditor at least annually.
- (g) Review annually and recommend to the Board, the external auditor's terms of engagement (including the audit plan) and other contractual terms, fees and other compensation to be paid to the external auditor and ensure that any key risk areas for the Group and financial requirements are incorporated into the audit plan.
- (h) Review the procedures for selection and appointment of the external auditor and for the rotation of external audit engagement partners.
- (i) Recommend to the Board the selection and removal of the external auditor, subject to any shareholder approval.
- (j) Oversee the implementation of the Group's policy on the engagement of the external auditor to supply non audit services.
- (k) Provide advice to the Board as to whether the Committee is satisfied that the provision of non audit services is compatible with the general standard of independence, and an explanation of why those non audit services do not compromise audit independence, in order for the Board to be in a position to make the statements required by the Corporations Act 2001 (Cth) to be included in the Group's Annual Report.
- (l) Meet with the external auditors in the absence of management to hear the views of the auditors on financial management and internal controls. This will include matters relating to the conduct of the audit, including the timeliness of its reporting, any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response.
- (m) Oversee the coordination of the internal and external audit.

## **Internal audit**

The responsibilities of the Committee in relation to the internal audit are as follows:

- (a) Review the scope and adequacy of the internal audit program, and approve the internal audit program and budget for the internal audit function annually.
- (b) Review the outcomes of the internal audit program.
- (c) Evaluate management's responsiveness to the internal auditor's finding and recommendations.
- (d) Review the performance and objectivity of the internal audit function, including whether the internal

- auditors are adequately resourced.
- (e) Approve the engagement (including fees) for any external services acquired by internal audit.
  - (f) Monitor the independence of the internal audit programs from the external auditors and management.
  - (g) Review and approve the appointment and dismissal of the head of the internal audit function.
  - (h) Meet with the head of the internal audit function in the absence of management to hear the views of the auditor on financial management and internal controls.

## **RIGHTS OF ACCESS AND AUTHORITY**

The Committee has unrestricted access to information it considers relevant to its responsibilities. The Committee has rights of access to management and to auditors (external and internal) without management present, and rights to seek explanations and additional information from both management and auditors.

The internal audit function, through the head of the internal audit function, has a direct reporting line to the Committee and, therefore, to the Board.

## **REVIEW OF CHARTER**

The Board will, at least every two years, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

## **ADMINISTRATIVE MATTERS AND PROCEDURES**

The proceedings of the Committee will be conducted in accordance with provisions set out in Attachment 1.

# Attachment 1

## ADMINISTRATIVE MATTERS AND PROCEDURES

### Meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee will normally meet at least quarterly.

### Chair

The Chair of the Committee will be selected by the Board. If the Chair is unavailable to chair the meeting, the members present must elect one of themselves to chair the meeting.

### Quorum

The quorum is at least two members.

### Secretary

The Group General Counsel & Company Secretary, or his or her delegate, must attend all Committee meetings as minute secretary.

### Convening and notice of meeting

Any member may, and the Group General Counsel & Company Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee, of every meeting of the Committee. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### Independent advice

The Committee may seek the advice of the Group's auditors, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

### Minutes

Minutes of meetings of the Committee must be kept by the Secretary. All minutes of the Committee must be entered into a minute book maintained for that purpose and be open at all times for inspection by any director.

### Reporting

The Committee chair will provide a brief oral report to the Board as to any material matters arising out of Committee meetings. All directors may, within the Board meeting, request information of members of the Committee.

A copy of the minutes of the Committee will also be provided to the Board with the Board papers.

The Committee will also consider if any material matters arising out of the Committee meeting should be advised to any other Committee and, if so, ensure that this occurs. In particular, the Committee will liaise with the Risk Management Committee to ensure it is made aware of any material financial risk issues which are identified by that Committee.

