

HUDSON INVESTMENT GROUP LIMITED

AUDIT COMMITTEE CHARTER

Audit committee

Membership

The Company has established an audit and risk committee as part of a structure to independently verify and safeguard the integrity of the Company's financial reporting.

All members of the committee have appropriate and relevant financial experience.

Function

The responsibilities of the Audit and Risk Committee include:

- reviewing the annual and half year financial reports to ensure compliance with Australian Accounting Standards and generally accepted accounting principles;
- monitoring corporate risk management practices;
- review and approval of the Consolidated Entity's accounting policies and procedures;
- reviewing the nomination, performance and independence of the external auditors; and
- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the Board.

The committee requires a declaration to be made by the Chief Executive Office and Chief Financial Officer that the Company's annual financial reports and interim half year financial reports present a true and fair view in all material respects of the Company financial position and operational results and are in accordance with the *Corporations Act 2001*, relevant accounting standards, the Corporations regulations and other mandatory professional reporting requirements.

Meetings

The committee meets as often as is necessary but in any case not less than twice per year. The minutes of the committee meetings are reviewed by both the committee and the Board of directors and the Chairman of the committee reports on the committee's conclusions and recommendations.

Authority

The primary responsibility of the committee is to oversee the Company's financial reporting process ensure the entity's accounting policies and practise comply with relevant legislative and regulatory requirements.

The committee has unrestricted access to information and reports relevant to fulfilling its responsibilities. The committee has the authority to seek any information of requires from any employee of the Group and the external auditors in order to perform its duties.

Review of Charter

The committee shall review and reassess the charter annually. The Audit Committee Charter shall be available to shareholders and should be posted on the Company website.

Compliance with ASX principles of good corporate governance and best practice recommendations.

The structure of the audit committee does not comply with recommendation 4.1 of the Principles of Good Corporate Governance and Best Practice recommendations set by the ASX Corporate governance Council in that it does not consist of only non-executive directors. This matter continues to be under review and as circumstances allow consideration will be given to the appropriate time to adopt the ASX Corporate Governance Guideline.