

**RITCHIE BROS. AUCTIONEERS INCORPORATED**  
**AUDIT COMMITTEE CHARTER**  
**Updated February 16, 2017**

***Purpose and Authority:***

The Audit Committee (the "*Committee*") shall assist the Company's Board of Directors (the "Board") in oversight of:

- (1) the integrity (including the clarity and fairness of presentation) of the Company's financial statements and other periodic public disclosure documents,
- (2) the Company's compliance with legal and regulatory requirements,
- (3) the independent auditor's nomination, qualifications, compensation and independence,
- (4) the performance and work of the Company's internal audit function and independent auditor,
- (5) the Company's tax planning, treasury management and corporate structure initiatives.

The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in this Charter or otherwise assigned to it by the Board.

As the Committee deems appropriate, it may retain independent counsel, accounting and other advisors to assist the Committee, without seeking Board approval with respect to the selection, fees or terms of engagement of any such advisors. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any outside legal, accounting or other advisors retained by the Committee, and for the Committee's ordinary administrative expenses. The Committee shall also have the power to communicate directly with the internal audit function and independent auditor, as well as determine and approve the independent auditor's compensation (for the purpose of preparing or issuing an audit report or performing other audit, review or attest services).

As the Committee deems appropriate, and as permitted by applicable securities legislation, it may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee shall provide an open avenue of communication between the independent auditor, financial and executive management, the internal audit function and the Board.

***Composition:***

***Independence***

The Committee shall be composed of three or more directors, as determined by the Board, each of whom shall meet the independence requirements established by the Board, the New York Stock Exchange, the Toronto Stock Exchange, other applicable laws or regulations governing independence and the Company's Corporate Governance Guidelines.

### *Financial Literacy/Expertise*

Each Committee member shall be financially literate in the business judgment of the Board. At least one Committee member, in the business judgment of the Board, shall have accounting or related financial management expertise, and shall qualify as an "audit committee financial expert," in accordance with SEC and other applicable laws, regulations and listing standards from time to time.

### *Service on Other Public Company Audit Committees*

No member of the Committee shall serve on more than two audit committees of publicly traded companies, other than the Company, at the same time such member serves on this Committee, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on this Committee. Such a determination shall be disclosed by the Company in the manner required by applicable laws, regulations and listing standards. If a Committee member serves on the audit committees of both a public company and a wholly owned subsidiary of such company, such service shall be counted as service on one audit committee, rather than two.

### *Appointment and Removal of Members*

The members of the Committee and the Chair of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee or, in its absence, by the Board based on its own assessment. The Board may remove any member from the Committee at any time with or without cause.

### ***Duties and Responsibilities:***

The Committee shall have the following duties and responsibilities, in addition to any duties and responsibilities assigned to the Committee from time to time by the Board.

### *Engagement of Independent Auditor*

- Select, appoint and retain the independent auditor, subject to annual shareholder approval; determine and approve compensation of the independent auditor; oversee the work of the independent auditor and resolve any disagreements between management and the independent auditor concerning financial reporting; evaluate and, where appropriate, replace the independent auditor, with the understanding that the independent auditor shall report directly to and be directly overseen by the Committee. These duties are direct responsibilities of the Committee.
- Pre-approve the retention of the independent auditor for all audit and such non-audit services as the independent auditor is permitted to provide the Company and approve the fees for such services, other than any *de minimus* non-audit services allowed by applicable law or regulation. Pre-approval of audit and non-audit services shall not be delegated to management, but may be delegated to one or more members of the Committee so long as that member or members report their decisions to the Committee at the next scheduled meeting following the pre-approval.

- The Committee may adopt specific policies and procedures for the engagement of the independent auditor for non-audit services, provided that the pre-approval policies and procedures are detailed as to the particular service. In considering whether to pre-approve any non-audit services, the Committee or its delegates shall consider whether the provision of such services is compatible with maintaining the independence of the auditor.

#### *Evaluate Independent Auditor's Qualifications, Performance and Independence*

- At least annually, evaluate the independent auditor's qualifications, performance and independence including that of the lead partner.
- At least annually, obtain, review and discuss a report by the independent auditor describing the firm's internal quality control procedures; any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, relating to one or more audits carried out by the firm, and any steps taken to deal with any such issues.
- At least annually, obtain, review and discuss the letter and written disclosures from the independent auditor consistent with Independence Standards Board Standard No. 1, including a formal written statement by the independent auditor delineating all relationships between the auditor and the Company; discuss with the auditor that firm's independence and all relationships and services that may impact the objectivity and independence of the auditor; and take, or recommend that the Board take, appropriate action to satisfy itself of the independence of the outside auditor.
- Discuss with the independent auditor any matters required for public disclosure or otherwise under applicable laws, rules and regulations.
- Ensure that the independent auditor's lead partner and reviewing partner are replaced on a periodic basis in accordance with applicable laws, rules, and regulations. Consider, from time to time, whether a rotation of the independent auditing firm would be in the best interests of the Company and its shareholders.
- Present the Committee's conclusions regarding the performance, qualifications and independence of the independent auditor to the full Board on an annual basis and submit an appointment of auditor proposal for consideration by shareholders at the Company's annual meeting of shareholders.
- At least quarterly, meet privately with the independent auditor to discuss (a) internal controls and special steps adopted in light of material control deficiencies, and (b) completeness and accuracy of the Company's financial statements.
- Meet with management and the independent auditor to review the scope and cost of the proposed audit and the audit procedure to be followed.

#### *Review Financial Statements and Financial Disclosure*

- Meet with management and the independent auditor to review and discuss the annual audited consolidated financial statements and interim unaudited consolidated financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the report of the independent auditor thereon, before the Company publicly discloses such statements, reports or information.

- Review and discuss with the independent auditor any audit problems or difficulties and management's response, including any restrictions on the scope of the independent auditor's activities or access to required information, significant disagreements with management, and the adequacy of internal controls and their report thereon.
- Review and discuss with the independent auditor, as the Committee deems appropriate, any accounting adjustments noted or proposed by the independent auditor but not taken by management; communications between the audit team and their national office concerning auditing or accounting issues; and any management or internal control letters issued or proposed to be issued.
- Review and discuss earnings press releases (including the type and presentation of information to be included therein) before their release to the public, as well as the financial information and earnings guidance provided to analysts and rating agencies. The review of earnings guidance may be done generally and does not require the Committee to discuss in advance each instance in which the Company may provide earnings guidance.
- Recommend to the Board that the audited annual consolidated financial statements be included in the Company's annual report filed with the SEC.

#### *Reliance*

- Each member of the Audit Committee will be entitled to reasonable reliance, or reliance in good faith, on:
  - (i) financial statements of the Company represented to the member of the Committee by an officer of the Company or in a written report of the external auditor of the Company to reflect fairly the financial condition of the Company;
  - (ii) the Company's disclosure compliance system and on the Company's officers, employees and others whose duties would in the ordinary course have given them knowledge of the relevant facts.

#### *Periodic Assessment of Accounting Practices and Policies and Risk and Risk Management*

- Obtain, review and discuss timely reports from the independent auditor regarding (1) all critical accounting policies to be used, (2) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (3) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Review, including with management and the independent auditor, if appropriate:
  - major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
  - analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and

- the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Company.
- Review and discuss changes in promulgated accounting and auditing standards that may materially affect the Company's financial reporting practices.
- Discuss guidelines and policies with respect to risk assessment and risk management, specifically the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

#### *Disclosure Controls and Procedures*

- Review the activities of the Company's Disclosure Committee to ensure that such Committee has complied with its charter and has performed the necessary reviews of the Company's disclosure controls and procedures, including but not limited to considering and satisfying itself from time to time that adequate procedures are in place for the review of the Company's public disclosures and financial information extracted or derived from the Company's financial statements.
- Meet with the chair of the Disclosure Committee on a quarterly basis to discuss the disclosure contained in all periodic reports and to address any significant or sensitive disclosure items.

#### *Internal Audit Review*

- Review and discuss the responsibilities, functions and performance of the Company's internal audit function, including internal audit plans, budget, staffing and the scope and results of internal audits.
- Ensure the reporting lines between the Audit Committee and the Internal Audit Group are clearly understood and utilized.
- Review and discuss any reports by management regarding the effectiveness of, or any deficiencies in, the design or operation of internal controls and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

#### *Compliance Oversight*

- Review periodically with management and, if applicable, the independent auditor any material correspondence with, or other material action by, regulators or governmental agencies, any material legal affairs of the Company, and the Company's compliance with applicable laws and listing standards.

#### *Information Technology and Cybersecurity*

- Review periodically with management the Company's strategy and approach to management of IT-related risks, including cybersecurity.

### *Related Party Transactions*

- Review all related-party transactions, including transactions between the Company and its officers, directors or principal shareholders or affiliates of officers, directors or principal shareholders.

### *Conflicts of Interest*

- Review and resolve any conflict of interest question involving any director or executive officer of the Company as contemplated by the Company's Corporate Governance Guidelines.

### *Hiring Policies*

- Review and approve the Company's policies for hiring partners, employees and former partners and employees of the present and former independent auditor, and ensure that such policies comply with any regulations applicable to the Company from time to time.

### *Ethics Compliance and Complaint Procedures*

- Oversee the periodic review of a Code of Business Conduct and Ethics for all Company employees, officers and directors pursuant to and to the extent required by regulations and listing standards applicable to the Company from time to time.
- Review requests for an exemption or waiver of the Company's Code of Business Conduct and Ethics and recommend to the Board an appropriate disposition of such requests.
- Ensure the establishment of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.
- Ensure the establishment of procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Periodically review the Company's corporate securities trading policies.

### *Reports to Board*

- Report regularly to the Board any significant matters arising from the Committee's activities, including, to the extent the Committee deems appropriate, any issues that arise with respect to the quality and integrity of the Company's financial statements and related disclosure documents, the Company's compliance with legal or regulatory requirements, the qualification and independence of the independent auditor and the performance of the internal audit function and independent auditor.
- Prepare any report of the Committee required by the SEC or other applicable laws, rules or regulations to be included in the Company's Annual Information Form, annual proxy statement or other disclosure required by applicable laws.

***Meetings:***

The Committee shall establish a meeting calendar annually, which shall include at least quarterly meetings. The Committee may hold such other meetings as are necessary or appropriate in order for the Committee to fulfill its responsibilities. In the absence of a member designated by the Board to serve as chair, the members of the Committee may appoint from among their number a person to preside at their meetings.

The Committee shall meet separately at least quarterly with management, internal audit personnel and the independent auditor to discuss matters that the Committee or the other groups believe warrant Committee attention.

***Evaluation:***

The Committee shall review and reassess this Charter at least annually and, if appropriate, propose changes to the Board.

The Committee shall obtain or perform an annual evaluation of the Committee's performance in relation to the requirements of this Charter and make applicable recommendations for improvement.