
CHARTER

AUDIT COMMITTEE CHARTER

- FEBRUARY 2019 -

Purpose

The Board of Resimac Group Ltd (the “Company”) have established an Audit Committee (the “Committee”) to oversee and monitor the company’s audit processes, including the Company’s internal control activities, corporate reporting process and to monitor and review the internal and external audit functions.

The purpose of this Charter is to set out the role and responsibilities of the Committee.

Scope

The Committee’s activities relate to oversight of the Company’s corporate reporting processes and procedures including the compliance obligations owed by entities that are listed on the Australian Securities Exchange, that hold an Australian Financial Services Licence (providing services in both Australia and New Zealand), and an Australian Credit Licence.

The role of the Committee includes assisting the Board in the Company’s governance and exercising of due care, diligence and skill in relation to reporting financial information; application of accounting policies; financial management; the internal control system; the risk management system (relating to financial reporting); and compliance with applicable laws, regulations, standards and consideration of best practice guidelines.

The Committee’s scope excludes oversight of the compliance and risk management frameworks applicable to the Company’s operations (except where relevant to financial reporting), which has been delegated by the Board to the Risk and Compliance Committee.

Membership

The Committee is appointed by the Board in accordance with the Company’s Constitution.

The Committee will consist of only non-executive directors and at least three directors. The majority of the directors should be independent and at least one member should have financial expertise (i.e. qualified accountant or other financial professional with financial and accounting experience).

The Chairman of the Risk & Compliance Committee will be a member of the Committee.

The Chairman of the Board may decide to increase or decrease the number of directors on the Committee.

Chair

The Chair of the Committee must be independent and must not be the Chairman of the Board. The Board must appoint the Chair of the Committee. Should the Chair of the Committee be absent from a meeting, the members of the Committee present must appoint a Chair for that particular meeting.

Attendance / Invitees

The Chief Executive Officer, Chief Financial Officer (or equivalent), any employee of the company, internal audit and the external audit engagement partner will be invited to attend meetings as required. These people may take part in the business of, and discussions at, the meeting but have no voting rights.

The Audit Committee may meet with internal and external auditors in the absence of management.

The Audit Committee has the power to appoint independent consultants and experts deemed necessary to perform special investigations as deemed necessary. The cost of such consultants and experts will be borne by Resimac.

Access to Records

The Audit Committee is authorised to have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation and information necessary to enable it to fulfill its responsibilities.

All records, documentation and information accessed in the course of undertaking the Audit Committee role is to be used solely for the performance of these activities. Audit Committee members are responsible and accountable for maintaining confidentiality of the information received.

Meetings

The Committee will meet at least three times per annum. Further meetings of the Committee are to be called as considered necessary by the Chair of the Committee or as requested by a member of the Committee or the auditors.

Committee meetings may be held by means of conference call, videoconference or similar communication means, as consented to by all directors, in accordance with section 248D of Corporations Act.

The notice and agenda of a meeting will include relevant supporting papers and should be distributed to Committee members at least seven (7) days prior to the Committee meeting.

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

Quorum

A quorum consists of two members of the Committee.

Minutes

Minutes of the meetings of the Committee must be prepared by the Secretary approved by the Chairman of the Committee and circulated to all members of the Committee. Minutes of meetings must be confirmed and signed at the next subsequent meeting of the Committee. In addition, the minutes must be circulated to all directors of the Company and noted at the following Board meeting.

Conflicts of Interest

Committee members will be required to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from committee discussions on the issue where a conflict exists.

Induction

New Audit Committee members will receive information and briefings on the work of the Audit Committee to assist them to meet their responsibilities.

Inductions for new Audit Committee members will be arranged by the Company Secretary.

Authority

The Board authorises the Committee, via the Chair, to:

- Recommend appointment (subject to shareholder approval), agree compensation and oversee the work of any external auditor appointed by the Company;
- Resolve any disagreements between management and the auditor on financial reporting;
- Pre-approve all auditing and non-audit services;
- Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
- Seek any information it requires from employees (via the CEO) who are directed to cooperate with the Committee's requests or from external parties.

Duties and Responsibilities

The Committee will carry out the following duties and undertake the following responsibilities:

Financial Reporting:

Review significant accounting and financial reporting issues including complex or unusual transactions and highly judgmental areas including recent professional and regulatory pronouncements and understand their impact on the financial statements.

Review the audited annual and half yearly financial statements and consider whether they are complete, consistent with information known to the Committee members and reflect appropriate accounting principles (i.e. integrity of the financial reports).

Consider the appropriateness of the Company's accounting principles and policies adopted and any amendments, as well as methods of applying those principles and policies ensuring they are in accordance with the stated financial reporting framework.

Review sections of the annual report and any related regulatory filings prior to the release and consider the accuracy and completeness of the disclosed information.

Review with management and the external auditors all matters required to be communicated to the Committee pursuant to the appropriate Australian Accounting Standards.

Assess management's explanations for unusual transactions or significant variances from prior year results and/or current year budget.

Assess the management of non-financial information in documents to ensure the information does not conflict with the financial statements or other documents.

Recommend to the Board the payment of interim and final dividends as proposed by management.

Recommend to the Board/s whether the financial and non-financial statements should be signed based on the Committee's assessment.

Internal Control and Risk Management

Assess the effectiveness of the Company's internal control processes and systems for determining and managing key risk areas, particularly:

- Information technology and security;
- Compliance with laws, regulations, standards and best practice guidelines;
- Litigation and claims;
- Fraud and theft; and
- Relevant business risks other than those dealt with by other specific Board committees.

In conjunction with the Risk & Compliance Committee ensure that the company has an effective risk management system and that significant or material risks are reported to the Board.

Address the effectiveness of the internal control, risk management and performance management systems with management and the internal and external auditors.

External Audit

Review and recommend to the Board the external auditor's engagement and performance, at least annually, including making an assessment of the adequacy of the external audit function and whether the auditor meets the audit independence tests pursuant to regulatory standards.

Advise the Board on the rotation of the external audit provider at intervals of approximately five years or as appropriate.

At the start of each audit, agree the terms of engagement with the provider and review the annual engagement letter.

Monitor and critique management's responsiveness to the external auditor's findings and recommendations.

Provide the opportunity for the Committee members to meet with the external auditors without management personnel present ("in camera session").

Review all representation letters signed by management.

Review the scope of the external audit plan and ensure that all issues are being managed and rectified appropriately and in a timely manner.

Enquire of the External Audit Partner whether there has been full cooperation and management support to fulfil their task.

Internal Audit

The Committee will review and recommend to the Board:

- The appointment of, and monitoring the effectiveness and independence of the internal auditor.
- The scope and adequacy of the annual internal audit work plan.

Ensure that sufficient resources are available to enable an effective audit to be conducted in the areas identified in the Internal Audit work plan for audit review.

Monitor progress of the Internal Audit Plan and consider the implications of internal audit findings for the control environment.

Communicate the Committee's expectations to the Internal Auditor in writing and ensure reports are directly provided to the Committee Chair and provided in papers for the next scheduled Committee meeting.

Monitor and critique management's responsiveness to the internal audit findings and recommendations.

Monitor the effectiveness of the coordination of the internal audit and external audit programs.

Review and approve the Internal Audit Charter.

Review and approve the Strategic Internal Audit Plan to assess whether it addresses the risks facing the entity.

Review and approve the annual Internal Audit Plan.

Enquire of the Head of Internal Audit whether there have been any scope or budget limitations, which may have negatively impacted on the Internal Audit activities.

Enquire of the Head of Internal Audit whether there has been full cooperation and management support to fulfil their task.

Taxation

Oversight of all taxation related matters.

Corporate Governance

Assist the Board to ensure appropriate governance is in place.

Related Parties Transactions

Review and monitor the propriety of related party transactions and ensure appropriate disclosure.

Contingent Liabilities

Review and monitor the contingent liabilities and ensure appropriate disclosure.

Relationship With Risk & Compliance Committee

The Committee will have an ongoing relationship with the Risk & Compliance Committee. To facilitate this relationship steps will include the Committee Chair being a member of the Risk & Compliance Committee; the Risk & Compliance Committee Chair being a member of the Audit Committee; identification of issues that affect both Committees to be dealt with by each and regular meetings between the Chairs of both Committees.

Committee Assessment

The Audit Committee will review its performance on an annual basis. The review may be conducted as a self-assessment and will be coordinated by the Committee Chair.

Revision & Publication

The Committee will formally review the Charter annually and confirm to the Board the appropriateness. Where amendments are required these will be provided to the Board for approval. A copy of the Charter will be available on the Company's website www.resimac.com.au.

REVIEW DATE	REVIEWED BY	APPROVED
June 2017	Amended – Danielle Corcoran Reviewed – Ian Parkes & Peter Fitzpatrick	July 2017
February 2019	Reviewed + Change of name & formatting – Peter Fitzpatrick	February 2019 – Audit Committee April 2019 - Board