



resimac

CHARTER

RISK & COMPLIANCE

COMMITTEE CHARTER

- DECEMBER 2018 -

Purpose

This Charter governs the operations of the Risk & Compliance Committee.

This Charter should be read in conjunction with the Board of Director's Charter. In the event that there is a conflict between the Committee Charter and the Board Charter, the Board Charter will prevail.

The Committee has been established to monitor the effectiveness of the risk management and compliance frameworks of the Resimac Group's (the Group) operations. The Group includes but is not limited to Resimac Group Ltd (AFSL and ACL), Resimac Ltd (AFSL and ACL), Resimac Financial Services Pty Ltd (ACL), The Servicing Co Pty Ltd (ACL), State Custodians Pty Ltd (ACL), Access Home Loans Pty Ltd (ACL), FAI First Mortgage Pty Ltd (ACL), Barnes Mortgage Management Pty Ltd (AFSL) and Auspak Finance Services Pty Ltd (AFSL).

The Committee's activities exclude oversight of financial reporting, taxation, independence of the internal and external auditors, which are the responsibility of the Audit Committee.

Objectives

The primary objectives of the Committee are to monitor and seek assurance that:

- Assist the Board to fulfill its obligations imposed on the Company, its directors and officers;
- Appropriate and robust compliance and risk management frameworks are in place;
- The operation of the business is conducted within the scope of those frameworks; and
- Management ensures relevant, appropriate and proper attention is given by assigned employees to compliance and risk management matter to foster a culture of compliance and risk.

Committee Membership

That Committee will consist of a minimum of three non-executive directors. Members will be appointed by the Board and will service for such term as the Board may determine.

Chair

The Chair of the Committee must be a non-executive director and must not be the Chair of the Resimac Group Board. Should the Chair of the Committee be absent from a meeting, the members of the Committee that are present must appoint a Chair for that particular meeting.

Meetings

The Committee will meet a minimum of four 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.

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.

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Quorum

A quorum consists of two members of the Committee.

Attendance

The Head of Enterprise and the Head of Compliance will be standing attendees. The Committee may agree to have “in camera” session from time-to-time.

The Chief Executive Officers, Chief Financial Officer, Head of Internal Audit, General Manager – Credit Risk & Asset Management and the General Manager – Treasury & Securitisation will be asked to attend part of the meeting from time-to-time at the request of the Chairman of the Committee.

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

Minutes

Minutes of the meetings of the Committee must be prepared by the Company Secretary approved by the Chair of the Committee and circulated to all members of the Committee for review. Minutes of meetings must be confirmed and signed at the next subsequent meeting of the Committee. The minutes must be provided to all directors at the first Resimac Board meeting held after the Committee has met.

In the event that the Company Secretary is absent, the Compliance Analyst will assume the role of Committee Secretary.

Responsibilities & Scope

The functions of the Committee will, amongst other things, include:

Enterprise Risk Management

- Assist in identifying, evaluating, mitigating and monitoring the business risks that Resimac faces during the course of its operations.
- Provide oversight to ensure that risks identified are reviewed on an ongoing basis and being monitored.
- Seek assurance that management has established and is following appropriate internal controls, financial management and business policies and practices and has adequate monitoring systems in place to ensure activities are conducted within the Board approved risk appetite.
- Monitor the effectiveness of the risk appetite against performance and strategy.
- Review and update risk management policies and procedures and implement submissions from management, auditors and where appropriate to recommend their approval by the Board.
- Monitor the adequacy and effectiveness of the company's policies and internal control mechanisms by reviewing the appropriate reports submitted from management, internal audit and the external auditors.
- Monitor accountability at senior management level for risk oversight and management.
- Review Resimac's risk profile, requiring management to regularly update and include assessment and prioritisation of risks.
- Evaluation exposure to fraud. Review policies and procedures in place to minimise and detect fraud and make recommendations to the Board to enhance such policies and procedures.

Corporate Governance

- Review and recommend any appropriate amendments to corporate governance policies and framework which are designed to:
 - ◆ Define the structure and responsibilities of the Board and relationship between Board and management;
 - ◆ Ensure constructive relationships between the company and its shareholders, suppliers, customers and employees; and
 - ◆ Promote an environment within the company where good corporate governance continues to be part of the fabric and culture of the company.
- Monitor compliance, review and investigate allegations of any significant breach of corporate governance practice and to report to the Board on annual basis, or more frequently if circumstances require.
- Implement appropriate procedures for Board approval enabling individual directors to access independent professional advice, as considered necessary, in respect of corporate governance matters for the Board of Directors.
- Decide and/or offer advice on corporate governance and corporate ethics matters as are referred to the Committee by the Chair, the Board, other Board Committees or the Joint CEOs.

Compliance

- Ensure that a compliance structure properly documented and maintained (continuously updated) exists throughout the Group and that proper compliance reporting and monitoring systems are in place.

- Ensure a culture of compliance is operating within the Resimac Group.
- Assess regularly the effectiveness of the compliance plan (framework) and whether it is adequate. This includes reporting to the Board/s on the assessment of the compliance plan and to make recommendations to the Board on any changes it considers should be made.
- Review the effectiveness and recommend any amendments to the compliance policies.
- Monitor compliance to continuous disclosure, legal and regulatory requirements.
- Ensure employees have received regular compliance training and annual compliance competency testing.
- Review any reports internal or external on compliance activities.
- Review and monitor compliance with, and investigate any allegation of breach of regulatory obligations, internal controls and policies. Report to the Board if compliance breaches are not being resolved.
- Set the compliance risk appetite within the overall risk appetite.
- Implement policies and procedures to ensure that the Board is informed of all material corporate governance matters affecting the company.
- Monitor the adequacy of the Resimac Group Australian Financial Services Licences and Australian Credit Licences to current or proposed operations.
- Review the adequacy of the management reporting systems.
- Monitor to ensure each business meets its compliance KPIs.
- Monitor that appropriate due diligence is followed in respect of operations, projects and activities.
- Ensure that a whistleblowing facility is in place, maintained and communicated to all employees.

Compliance With Regulatory Obligations

- Monitor and oversee the Group's compliance and regulatory obligations which include but are not limited to:
 - ◆ Financial services and credit laws, including the requirements of the Australian Securities and Investments Commission (ASIC) and the Financial Markets Authority (New Zealand);
 - ◆ Privacy laws including requirements of the Office of the Australian Information Commissioner, Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) laws including requirements of the Australian Transactions Reports and Analytics Centre (AUSTRAC);
 - ◆ Commonwealth taxation laws and directives from the Australian Taxation Office;
 - ◆ Part 229 of the Securities Act of 1933 and the Securities Exchange Act of 1934; and
 - ◆ FACTA and CRS,
- Confirm that management has appropriate controls in place to:
 - ◆ Identify and implement legislative and regulatory changes that may impact the Group's operations;
 - ◆ Monitor and address the activities of authorised representatives;
 - ◆ Identify and escalate issues, incidents and breaches of regulatory requirements and ensure that significant breaches are reported to the relevant regulators; and
 - ◆ Monitor and affirm that the Group is complying with its regulatory obligations.

- Review the following reports and make recommendations to management (as required):
 - ◆ Reports to and from regulators;
 - ◆ Internal and external audit reports and recommendations;
 - ◆ Breach and incident reports including any rectification plans; and
 - ◆ Complaints reporting.

Internal Audit Function

- Receive and review reports and management letters from the internal auditor that relate to Resimac operational activities and seek assurance that management has addressed audit issues and recommendations within the agreed timeframes.
- Approve the internal audit plan audits in relation to non-financial internal audit activities.
- Ensuring that the whistleblowing facility is maintained, including any incidents, reporting and communication pursuant to the Whistleblowing policy.

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Treasury / Trust Management

- Monitoring to ensure that the Trusts managed by Resimac are sufficiently hedged to mitigate risk of interest rate and cross currency movement exposure.

Asset & Liability Committee (ALCO)

- Oversight ALCO (an established managed committee), which includes approval of the charter and receipt of minutes for noting.

Revision & Publication

The Board will formally review and approve the Charter annually. A copy of the Charter will be available on the Company's website www.resimac.com.au.

REVIEW DATE	REVIEWED BY	APPROVED
June 2017	Danielle Corcoran	September 2017
August 2017	Clare Kirkpatrick & Kerry Beebe	
August 2017	Risk & Compliance Committee	