



OFX Group Limited

Audit, Risk and Compliance Committee Charter

Updated:	22 June 2021
Author:	Company Secretary
Reviewed by:	OFX Group Limited Board

OFX GROUP LIMITED (COMPANY)

AUDIT, RISK AND COMPLIANCE COMMITTEE CHARTER

Purpose of Charter

1. The Audit, Risk and Compliance Committee Charter (**Charter**) governs the operations of the Audit, Risk and Compliance Committee (**Committee**). It sets out the Committee's role and responsibilities, composition, structure and membership requirements.
2. The Committee has been established to assist the board of the Company (**Board**) in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and the internal control structure, risk management framework and systems (financial and non-financial), systems and procedures for compliance with applicable legal and regulatory requirements and the internal and external audit process of the Company and each of its related bodies corporate (together the **Group** and each a **Group Member**).
3. The Committee will review and reassess the Charter at least once in every two years to assess whether it is operating effectively and whether changes are required and more regularly as legislative requirements change and best practice for continuous disclosure evolves. On each occasion, the Committee will obtain the approval of the Board to the form of the Charter.
4. This Charter will be made available on the Company's website.

Membership

5. The Committee members will be appointed by the Board. It will be of sufficient size, independence and technical expertise to discharge its mandate effectively. The Committee will consist of:
 - at least three members;
 - only non-executive directors; and
 - a majority of independent directors.
6. The Committee will be chaired by an independent chair, who will be nominated by the Board from time to time but who will not be the chair of the Board.
7. Directors, members of the audit, risk and compliance committee of each Group Member and members of the Global Executive Team may attend meetings of the Committee by invitation. The Committee may also have in attendance at meetings such members of Management or any other person it deems necessary.
8. All Committee members will be financially literate (i.e. able to read and understand financial statements). At least one member will have accounting and/or related financial management expertise (i.e. is a qualified accountant or other financial professional with experience of financial and accounting matters). All members will understand the Group's structure, controls and typical transactions and the industry in which the Group operates generally in order to make an adequate assessment of the risks faced by the Group.
9. Membership of the Committee is determined by the Board and will be reviewed periodically. Members may resign upon reasonable notice in writing to the Committee Chair. A member may from time to time be immediately removed by notice in writing under the hand of the Committee Chair. The effect of ceasing to be a director of the Board is the automatic termination of appointment as a member of the Committee.
10. The secretary of the Board or such other person as nominated by the Board will be the secretary of the Committee (**Committee Secretary**).

Meetings

11. The Committee will meet as often as necessary to undertake its role effectively, but must meet at least four times each year.
12. The Committee will meet in private session at least annually to assess the effectiveness of Management.
13. At least once per annum the members of the Committee will meet with the external auditor in the absence of employees and Management.
14. A quorum for any Committee meeting will be 2 members.
15. Decisions of the Committee will be made by simple majority.
16. Special meetings may be convened as required. The Committee Chair, through the Committee Secretary, will call a meeting of the Committee if requested to do so by any member of the Committee, by the external auditor or by the chair of the Board.
17. The proceedings of all Committee meetings will be minuted and these will be included in the papers for the next Board meeting after each Committee meeting.
18. The Committee Chair will determine the meeting agenda after appropriate consultation.

Authority

19. The Committee is accountable to and acts primarily as a delegated committee to the Board. The Committee does not, of itself, have the power or authority of the Board.
20. The Board authorises the Committee, within the scope of its responsibilities, to:
 - investigate any matter brought to its attention with full access to all books, records and facilities;
 - seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Committee) or external parties;
 - obtain outside accounting, legal, compliance, risk management or other professional advice as it determines necessary or appropriate to carry out its duties; and
 - interview management and internal and external auditors (with or without management present); and
 - ensure the attendance of Group officers at meetings as it thinks appropriate.
21. A Committee member, with the prior approval of the Committee Chair, may seek independent professional advice, at the expense of the Company if it is deemed necessary in order to carry out his/her duties as a Committee member.

Duties and Responsibilities

22. **Understanding the Group's Business**
 - The Committee will ensure it understands the Group's structure, business and controls to ensure that it can adequately assess the significant risks faced by the Group.
23. **Financial Reporting**
 - The Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board and reporting the results of its activities to the Board. The Committee will review and make recommendations to the Board in relation to:

- the annual and half yearly financial statements of the Company (and any reports which accompany published financial statements);
- the appropriateness of the accounting policies adopted by the Company to ensure compliance with AIFRS and generally accepted accounting principles;
- all significant accounting and financial reporting issues raised by Management, internal or external audit;
- the systems in place which are aimed at ensuring accounting records are properly maintained in accordance with statutory requirements;
- Management's processes for ensuring and monitoring compliance with the law, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of information (both financial and non-financial);
- whether the Company's financial statements should be signed; and
- other financial information distributed externally as required.

24. **Non-financial Reporting**

- The Committee is responsible for overseeing the Company's reporting processes on behalf of the Board in relation to:
 - corporate governance, including compliance by the Company with the ASX Principles and Guidelines and reports of violations of the Corporations Act and the ASX Listing Rules and compliance by each Group Member with all legislation and regulations relating to corporate governance or breaches of fiduciary duties; and
 - compliance by each Group Member with legislation and regulations, including with regard to insider trading laws, continuous disclosure requirements and conflict requirements, bribery and corruption, modern slavery and whistleblower complaints.
- The Committee will review reports received from management in relation to risk (as set out in paragraph 28 below), compliance (as set out in paragraph 29 below) and complaints (as set out in paragraph 31 below) and make recommendations to the Board.

25. **Reporting to the Board**

- The Committee will regularly report to the Board on all matters relevant to the Committee's role and responsibilities.
- The Chair of the Committee will report and as appropriate make recommendations to the Board after each meeting of the Committee on matters dealt with by the Committee.
- As and when appropriate, the Committee will seek direction and guidance from the Board on audit, risk management and compliance matters.
- The Committee will ensure that the Board is made aware of audit, financial reporting, internal control, risk management and compliance matters which may significantly impact upon the Company in a timely manner.

26. **External audit**

- The Committee will review and make recommendations to the Board in relation to:
 - the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness and independence of the external auditor and

- resolution of disagreements between management and the external auditor regarding financial reporting;
 - the external audit plan including nature, approach, scope and cost before each audit commences;
 - the reports prepared by the external auditor relating to the audit, their review of internal controls and their identification and discussion of key audit matters;
 - its assessment of the effectiveness of the annual audit and the external auditor's performance, competence, independence and the appropriateness of their remuneration;
 - the selection, appointment, rotation or removal of the external auditor or an external audit partner;
 - any proposal by the external auditor to provide non-audit services and consider whether it might compromise the independence of the external auditor; and
 - all representation letters from management and management's response to the external auditor's findings and recommendations.
- The Committee, at least on an annual basis, will obtain and review a report by the external auditor describing (or meet, discuss and document the following with them):
 - the audit firm's internal quality control procedures;
 - any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any enquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
 - all relationships between the external auditor and the Company (to assess the auditor's independence).
- The Committee will set clear hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgement or independence in respect of the Company.
- The Committee will draft an annual statement for inclusion in the Company's annual report as to whether the Committee is satisfied the provision of non-audit services is compatible with external auditor independence.

27. **Internal audit**

- The Committee will review and make recommendations to the Board in relation to:
 - the appointment, removal and remuneration of the internal auditor and the internal audit manager (if applicable);
 - the scope of the internal audit framework and function and whether it is effectively resourced (including determining whether the internal audit function is to be provided by an internal or external provider);
 - the internal audit work plan including nature, approach, scope and cost (where applicable) before each audit commences;
 - the objectivity, performance and effectiveness of the internal audit function;
 - the reports prepared by the internal auditors relating to the audits and their

review of internal controls and the Group's processes for managing risk;
and

- management's response to the internal auditor's findings and recommendations.

28. Risk

- The Committee will review and make recommendations to the Board in relation to:
 - the Group's risk culture; and
 - the Group's Risk Management Framework and system of risk management, including the Risk Profile, Risk Appetite Statement, Risk Structure and Accountability, Risk Management Process and Monitoring and Review.
 - changes that should be made to the Risk Management Framework set by the Board;
 - the reports prepared by management relating to:
 - new and emerging sources of risk (financial and non-financial) and the risk controls and mitigation measures that management has put in place to deal with those risks; and
 - changes to the status of existing material risks, including key risk indicators;
 - management's performance against the Risk Management Framework, including whether the Group is operating within the Risk Appetite set by the Board;
 - the effectiveness of policies and procedures for the management of risk (financial and non-financial) assessed using a program of audits by the internal and external auditors;
 - whether proper remedial action is undertaken to address identified areas of weakness;
 - the risks identified in the Group's risk registers to ensure that all significant and material risks are reported to the Board;
 - ensuring that a Whistleblower facility is maintained and communicated across the Group, with encouragement to voluntarily report breaches and other incidents;
 - ensuring the adequacy of controls and disaster recovery testing to mitigate the risk of digital disruption, cyber-security, privacy and data breaches;
 - all incidents involving actual or alleged fraud or other breakdown of internal controls; and
 - policies and culture with respect to prescribed ethical standards and practices (including the Code of Conduct).
- The Committee is responsible for reviewing the adequateness of amendments to the Company's policies and charters and making recommendations to the Board for approval.
 - The Committee will undertake an annual review of the Risk Management Framework, including the Risk Profile and controls in place to manage identified risks and the Risk

Appetite Statement, to satisfy itself that it deals adequately with key risk factors and categories, including:

- Strategic risks including decision and execution risks and any changes resulting from the Group's external environment;
- Financial risks arising from management of the Group's financial exposure;
- Risk of the Group's services being used to perpetuate financial crime and illegal acts; and
- Operational Risks resulting from inadequate or failed internal processes, people and systems,

including contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change, and otherwise remains appropriate.

29. **Compliance**

- The Committee will review and make recommendations to the Board in relation to:
 - o the systems and procedures in place to ensure compliance with laws and regulations including those that have a potential major impact;
 - o the systems and procedures to ensure compliance with corporate governance processes including insider trading laws, continuous disclosure requirements and conflict requirements;
 - o the systems and procedures to ensure compliance with modern slavery and whistleblower laws;
 - o the systems and procedures in place to ensure adherence to the Company's policies, including those addressing ethical conduct and behaviour;
 - o the findings of any examinations by regulatory agencies and all material documents and correspondence before submission to regulators;
 - o compliance breaches (including significant breach of Company policy) identified in Compliance breach reports ensuring all significant and material compliance breaches are reported to the Board; and
 - o assessing the adequacy and effectiveness of the Group's legal, regulatory and ethical compliance programs in conjunction with the external and internal auditors.
- The Committee will review any legal matters which could significantly impact the Group's compliance and risk management systems, and any significant compliance and reporting issues, including any recent internal regulatory compliance reviews and reports.
- The Committee will review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with laws and regulations and the results of management's investigations and follow-ups (including disciplinary action) of any fraudulent acts, non-compliance or other break down in the Group's internal controls.
- The Committee will be satisfied that all regulatory compliance matters have been considered in the preparation of the Group's official documents.

30. **Insurance**

- The Committee will review and make recommendations to the Board in relation to the Group's insurance program, having regard to the Group's business and insurable risk risks associated with its business.

31. **Complaints**

- The Committee will review all representation letters signed by management to ensure that the information provided is complete and appropriate.
- The Committee will establish procedures for the receipt, retention, and treatment of complaints received by the Group regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Group of concerns regarding questionable accounting or auditing matters.
- The Committee will review corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duties.
- The Committee will review whistleblower complaints and the outcomes of investigations.

32. **Oversight of Group audit risk and compliance**

- The Committee will establish procedures to ensure adequate oversight of the financial reporting process, internal control structure, risk management framework and systems (financial and non-financial), systems and procedures for compliance with applicable legal and regulatory requirements and the internal and external audit process for each Group Member, including attendance at audit, risk and compliance meetings of the Company's related bodies corporate.

33. **Committee performance**

- The Committee will perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.
- The Board will evaluate the performance of the Committee as appropriate.

Adopted by the Board on 22 June 2021.