

Audit and Risk Management Committee Charter

1. Purpose

The Audit and Risk Management Committee's ("Committee") objective is to assist the Board of Ask Funding Limited and its controlled entities ("the Board or Ask") to fulfil its responsibilities in relation to risk management and internal control systems, accounting, policies and practices and external audit and financial reporting.

2. Responsibilities

The Committee is responsible for the following functions:

Financial Reporting

- 2.1. Review financial statements and other financial information for external distribution with management and where appropriate, the external auditor, prior to submission to the Board.
- 2.2. Review major issues regarding accounting principles and financial statement presentations and standards, including any significant changes in the Company's selection or application of accounting principles and standards.
- 2.3. Review analyses prepared by management outlining significant financial reporting issues, significant estimates and business judgments made in connection with the preparation of the financial statements.
- 2.4. Review the effect of regulatory and accounting initiatives as well as off balance sheet structures on the financial statements of the Company.
- 2.5. Review the controls and process that are used to reach the opinions provided in the regulatory certifications of the Chief Executive Officer and Chief Financial Officer.
- 2.6. Assess whether external reporting is adequate for shareholder needs and complies with the Corporations Act, the ASX Listing Rules and other regulatory requirements.

External Audit

- 2.7. Review the reports of the auditor to ensure that where deficiencies in controls and procedures have been identified, appropriate and prompt remedial action is instituted.
- 2.8. Review the nomination and performance of the external auditor and consider whether non-audit services provided are compatible with maintaining the external auditor's independence.
- 2.9. Liaise with the external auditor to ensure that the statutory audits are conducted efficiently and effectively. This consultation should be done without the presence of the executive directors or members of the executive management team.

Risk Management and Internal Control

- 2.10. To approve frameworks, systems and policies with respect to risk assessment and risk management in respect of, but not limited to, the following:
 - 2.10.1. Credit Risk - being the risk a borrower or counter-party fails to meet contractual obligations or to perform as agreed;

- 2.10.2. Liquidity Risk – being the risk that Ask will be unable to meet its contractual obligations when they become due without incurring unacceptable losses because of an inability to liquidate assets or obtain adequate funding;
 - 2.10.3. Market Risk – being the risk to earnings from adverse movements in interest rates, exchange rates and in the value of financial instruments; and
 - 2.10.4. Operational Risk – being the risk financial and reputational loss resulting from failed internal processes, people and systems.
- 2.11. To oversee internal control systems and procedures by which management ensures:
- 2.11.1. all assets are appropriately safeguarded;
 - 2.11.2. all obligations are fully considered and appropriately authorised prior to being committed to;
 - 2.11.3. financial records are appropriately maintained and the data contained therein is accurate and reliable; and
 - 2.11.4. significant threats including fraud are identified on a timely basis.

Compliance

- 2.12. To oversee compliance systems and procedures by which management ensures its legal obligations are met including, but not limited to:
- 1.1.1. Financial reporting;
 - 1.1.2. Secretarial reporting;
 - 1.1.3. Licenses and permits;
 - 1.1.4. Workplace Health and Safety;
 - 1.1.5. Employment Relations, including equal opportunity and anti-discrimination;
 - 1.1.6. Trade Practices and other regulators;
 - 1.1.7. Consumer Credit Code;
 - 1.1.8. Privacy;
 - 1.1.9. Anti Money Laundering / Counter Terrorism Financing; and
 - 1.1.10. Insurance.

3. Authority

- 3.1. To fulfil its responsibilities the Committee has power delegated by the Board to:
- 3.1.1. seek information it requires from any document, record or employee of Ask and from the external auditors;
 - 3.1.2. require members of management and external auditors to attend meetings and to provide advice; and
 - 3.1.3. obtain advice and assistance from outside legal, accounting or other professional advisors as appropriate.
- 3.2. At the discretion of the Chair and members of the Committee, matters considered to be of material importance are referred to the full Board for its attention together with the Committee's recommendation.

4. Composition

- 4.1. The membership and Chair of the Committee will be determined by the Board. The Board may appoint, remove or replace a member(s) of the Committee at any time.
- 4.2. The Committee will consist of at least two, all of whom shall be non-executive directors. If the Committee comprises more than 2 members the majority shall be non-executive directors.
- 4.3. The CFO, GM Compliance and Special Projects and other Executive Directors may be present during the Committee deliberations but will not be members of the Committee.
- 4.4. Each of the non-executive directors will be independent directors and free from any business or other relationship that in the opinion of the Board, would materially interfere with the exercise of their independent judgement as a member of the Committee.
- 4.5. The Board may also appoint an external member who has specialist risk management experience.
- 4.6. Should the Chair of the Committee be absent from any meeting of the Committee, the members of the Committee present at that meeting shall appoint one of their number to be chair of that meeting.
- 4.7. At least one member of the Committee will have financial expertise i.e. is a qualified accountant or other financial professional with experience of accounting matters.
- 4.8. At least one member of the Committee will have detailed understanding and experience of the industry within which the Company operates.

5. Meetings

- 5.1. The Committee will meet at least four times each financial year and more frequently if required.
- 5.2. The Committee will meet with the external auditors independently of the Executive Management of the company at least once a year.
- 5.3. The Chair may call a meeting at any time and will call a meeting of the Committee if so requested by any member of the Committee, by the external auditor or the Chair of the Board.
- 5.4. A quorum of any meeting will be two members and the quorum must be present at all times during the meeting. Other directors are invited to attend meetings of the Committee in an unofficial capacity.
- 5.5. The CFO, GM Compliance and other relevant executives are expected to attend as required for relevant agenda items. In these instances the Secretary will issue a formal invitation which will contain details of the matters to be discussed and any information required.
- 5.6. The Secretary of the Committee will be either a member of the Committee or the Company Secretary and be nominated by the Committee members.
- 5.7. The external auditor is expected to attend the meetings scheduled to consider the half year and the annual financial reports.

- 5.8. Non members of the Committee may be asked to withdraw for all or part of the meeting.
- 5.9. The Secretary of the Committee will circulate the agenda and supporting documentation to the Committee members in advance of each meeting.
- 5.10. The minutes of meetings will also be circulated to members for approval. Approved minutes will be submitted to the Board.

6. Reporting

- 6.1. The Committee will regularly update the Board about Committee activities and make appropriate recommendations.
- 6.2. Generally each report will be provided at the Board meeting next following a meeting of the Committee.
- 6.3. The Committee should recommend to the Board acceptance of annual and half yearly financial statements after providing the Board an assessment of:
 - the performance and independence of the external auditor;
 - the performance and objectivity of the internal audit function and the management controls which support external reporting;
 - the internal compliance and control systems for financial reporting; and
 - whether external reporting is consistent with internal information and knowledge and is adequate for shareholder needs.

7. Review of Committee Performance and Charter

- 7.1. The Committee shall review its performance and Charter annually, with particular attention being paid to the extent to which it has met its responsibilities as outlined in this Charter and shall report the results of such review to the Board.
- 7.2. Where changes to this Charter are considered necessary, they will be submitted to the Board for approval.