



**Cash Converters International Limited (Company)**

**AUDIT & RISK COMMITTEE CHARTER**

**1. Function and Authority**

- 1.1 The Board of Directors ("Board") of Cash Converters International Limited ("CCIL") shall maintain an Audit & Risk Committee ("the Committee").
- 1.2 The Committee assists the Board to fulfil its oversight responsibilities relating to:
  - (a) the preparation and integrity of corporate and financial reporting;
  - (b) the adequacy of the control environment and the processes for identifying and managing risk;
  - (c) the internal and external audit functions;
  - (d) treasury and taxation practices;
  - (e) compliance with all regulations including the Corporations Act, ASX Listing Rules and Corporate Governance Principles; and
  - (f) any other matters referred to it by the Board.

**2. Membership**

- 2.1 The committee is to be composed of at least three members, who must be non-executive directors with a majority of independent non-executive directors.
- 2.2 Committee members shall be financially literate. At least one member will have accounting or related financial experience.
- 2.3 The Chair of the Audit & Risk Committee will be nominated by the Board. The Chair of the Committee shall be an independent non-executive director and shall not be the Chair of the Board.
- 2.4 Whilst the Chair of the Board is precluded from chairing the Committee, the Chair of the Board may be a member of the Committee.
- 2.5 The Chair of the Audit & Risk Committee will be, knowledgeable on CCV's Risk management Framework, Strategy and Appetite.

**3. Meetings**

- 3.1 The Committee shall meet at least three times per year or more frequently as circumstances require. If a member is unable to be physically present, they may participate by video or teleconference.
- 3.2 The Company Secretary or their delegate shall be the secretary of the Committee
- 3.3 The Company Secretary, in conjunction with the Committee Chair, must prepare an agenda which, together with supporting papers, will be circulated to each committee member (with a copy to all directors) at least 5 working days before each meeting.
- 3.4 The quorum necessary for a meeting of the Committee shall be two members, of whom at least one must be an independent non-executive director.
- 3.5 The Committee Chair may invite any person or persons (other than duly appointed members) to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:
  - other directors
  - the CEO

- the CFO
- the internal and external auditors
- the Chief Risk Officer and other relevant members of management.

#### **4. Reporting**

- 4.1 The Committee Chair must report the activities, findings and recommendations of the committee at the next Board meeting following each meeting of the Committee
- 4.2 The Company Secretary will be responsible for keeping the minutes of the proceedings and resolutions of each Committee meeting and providing drafts of the minutes to the Committee within 14 days of each meeting. Upon the approval by the Committee the Company Secretary will circulate the minutes and any other supporting papers to all members of the Board.

#### **5. Resources**

- 5.1 The Committee is authorised to seek any information it requires from any officer or employee of the Company and such officers or employees shall be instructed by the Board to respond to such enquiries.
- 5.2 The Committee, with prior written approval of the Chair of the Board, is authorised to engage, at the Company's expense, independent legal, financial and other advice or assistance on any matters within its terms of reference.

#### **6. Review Processes**

- 6.1 The Charter, composition and annual workplan for the Committee will be reviewed at least annually. The Committee will recommend to the Board any appropriate amendments for approval.
- 6.2 The Committee will conduct an annual assessment of its performance against its charter responsibilities and provide a report of the findings to the Board.

#### **7. Committee Responsibilities**

- 7.1 In assisting the Board to fulfil its responsibilities, the responsibilities of the Committee are as follows:

##### *Assessment of Financial Information*

- 7.2 Review any significant accounting and reporting issues, including professional and regulatory announcements, and understand their effect on the company's financial statements
- 7.3 Review all published half year and annual financial statements of the company, which require the approval of the board, based on the recommendation of the Committee, and hold discussions regarding the financial statements with the external auditor and management before submission to the Board.

The committee will pay specific attention to:

- the consistency of accounting policies and appropriate adoption of new accounting standards
- considering the need for, appropriateness of and correct disclosure of, any changes made to the company's accounting policies
- the treatment and disclosure of significant or unusual transactions and accounting estimates
- the going concern assumptions
- review the Declarations signed by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act and Recommendation 4.2 of the ASX Corporate Governance Principles that:
  - the company's financial records have been properly maintained

- the company's financial statements present a true and fair view, in all material respects, of the company's financial condition and are in accordance with relevant accounting standards
- the financial statements are founded on a sound system of risk management and internal compliance and control, and that the system is operating effectively in all material respects in relation to financial reporting risk
- the company's risk management and internal control and compliance systems are operating efficiently and effectively in respect to its material business risks.

7.5 The Committee will review other key financial processes; in particular the tax and treasury operations, to ensure prudent management practices are in place

#### *External Auditors*

7.6 Recommend to the board the appointment, evaluation and removal of the external auditors

7.7 Review and approve the external auditors' proposed audit plan and audit approach, including materiality levels

7.8 Review and agree on the terms of engagement and the audit fees for the external auditors prior to the commencement of each audit.

7.9 Review the independence of the external auditor and their compliance with all relevant independence requirements including:

- financial interests in clients and other business relationships
- employment and other personal relationships
- the level of non-audit services provided
- the rotation of audit partners
- limitations on the external audit partner providing services other than audit, review or attestation.

7.10 Understand any material alternative treatment of financial information that has been discussed with management, including its ramifications, together with the preferred treatment by the external auditor.

7.11 Discuss the appropriateness of accounting policies, estimates and judgements.

7.12 Review the external auditor's summary management report, detailing the results and significant audit findings and management's responses

7.13 Meet regularly with the external auditor without management present

7.14 Resolve any disagreements between management and external auditors in the financial reporting and advise any significant issues to the board

7.15 Obtain from the external auditors and review the independence declaration required under the Corporations Act

#### *Internal Audit*

7.16 Approve the appointment, remuneration and removal of the head of internal audit

7.17 Review the internal audit charter and resourcing of the internal audit function

7.18 Approve the annual internal audit plan and monitor progress against the plan

7.19 Review significant internal audit findings and action taken by management to address these

7.20 Discuss issues with internal audit in the absence of management

7.21 Review the objectivity and performance of the Internal Auditor



### *Risk Management*

- 7.22 Review the company's risk management framework, strategy and risk appetite development and oversee the risk management system, including the risk management function and its resourcing
- 7.23 Review and monitor the company's risk profile
- 7.24 Review the operational effectiveness of the policies and procedures relating to risk and the company's internal control environment
- 7.25 Review the management evaluation of the effectiveness of internal controls
- 7.26 Review the effectiveness of the company's insurance activities

### *Compliance*

- 7.27 Review the effectiveness of the company's approach to achieving compliance with laws, regulations and company policies.
- 7.28 Review and make recommendations in relation to the company's Compliance Framework. Ensure compliance processes are sound, appropriate and operate effectively throughout the company
- 7.29 Obtain regular reports regarding compliance matters that may have a material impact on the company's activities. Review any correspondence from regulatory bodies regarding significant issues.

### *Other Responsibilities*

- 7.30 Oversee the process for the receipt, retention and treatment of information received from the internal whistleblower policies and procedures.
- 7.31 Review any fraud reports
- 7.32 Review the effectiveness and level of cooperation between, management, internal auditor, risk management function and the external auditors
- 7.33 Conduct special investigations if required and perform any other duty the board may request from time to time.

Adopted by the Board of Directors on 30 June 2017

Mr Stuart Grimshaw

Chairman of the Board of Directors