



# Asset Resolution Limited

## Audit & Risk Committee Charter

Asset Resolution Limited's ("Company", "ARL", NSX Code: ASS) Board reviews the Audit & Risk Charter annually, the latest review occurred on 30 September 2020.

The Audit and Risk Committee ("the Committee") is a committee of the ARL Board created to assist the Board in the effective discharge of its responsibilities for financial reporting, internal control structures, internal and external audit functions and risk management systems. For the avoidance of doubt this includes environment and sustainability matters. The Company's risk reporting and control mechanisms are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed.

### Functions

The primary functions of the audit and risk committee are to:

- assist the board in its oversight of the reliability and integrity of accounting policies and financial reporting and disclosure practices;
- provide advice to the board on financial statements, due diligence, financial systems integrity and business risks to enable the board to fulfil its fiduciary and stewardship obligations; and
- assist the board in establishing and maintaining processes to ensure that there is:
  - (a) compliance with all applicable laws, regulations and company policies; and
  - (b) an adequate system of internal control, management of business risks and safeguard of assets.

In addition, the audit and risk committee, not the company's management, is responsible for approving all audit engagement fees and programs, as well as all non-audit engagements by the auditor.

The board has approved operating principles to give effect to the audit and risk committee charter.

### Membership

In accordance with corporate governance best practice:

- the audit and risk committee is comprised of at least 3 members, and all members are non-executive directors who:
  - are ideally independent of the Company's management and free from any relationship that, in the business judgment of the board, would interfere with the exercise of their independent judgment as a member of the committee. Currently only the majority of the members are independent and the Chair is independent, this will be reviewed annually and when the company's circumstances change; and
  - have a working familiarity with basic finance and accounting practices;
- the chairman of the audit and risk committee is not the chairman of the board of directors;
- the CEO when appointed will not a member of the audit and risk committee;
- no director may serve as a member of the audit and risk committee if such director serves on the audit and risk committees of more than two other public companies;
- audit and risk committee members may only receive the following compensation from the Company:



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- directors' fees (including committee fees), which may be received in cash, shares, superannuation contributions or other in-kind consideration ordinarily available to non-executive directors;
- any other regular benefits that other Company non-executive directors receive.

### Meetings

The audit and risk committee meets at least two times per year, or more frequently as circumstances require. Board members are entitled to attend audit and risk committee meetings. The audit and risk committee may meet separately with the CEO (once appointed), management, and other executives (once appointed), and the auditor in relation to matters that it wishes to discuss privately. The audit and risk committee must, annually, meet separately with the internal auditor and the auditor, with and without management present.

### Auditor

The audit and risk committee has the responsibility for:

- appointing, evaluating and, where appropriate, replacing the auditor [for filings outside of Australia]; and
- authorising any non-audit engagements of the auditor.

### Non-audit engagements

The Company will not engage the auditor to perform any of the following non-audit services for the Company:

- bookkeeping services and other services related to preparing the Company's accounting records or financial statements;
- financial information system design and implementation services;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services;
- internal audit services;
- management functions or human resources;
- broker or dealer, investment adviser, or investment banking services;
- legal services or expert services unrelated to the audit.

The Company may only engage the auditor in respect of other non-audit services if:

- the audit and risk committee has expressly approved the provision of the non-audit service; and
- the performance of the non-audit service will not cause the total annual revenue to the auditor from non-audit work to exceed the aggregate annual amount of the auditor's total fees, respectively.

The audit and risk committee must not approve the provision of a non-audit service by the auditor if the provision of the service would compromise the independence of the auditor.

### Assistance

The audit and risk committee may select, retain, terminate and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate, without seeking approval of the board or management.