FINANCE AND AUDIT TERMS OF REFERENCE

Approved by: Board
Approved on: 3 April 2019
Version: 3

TERMS OF REFERENCE OF THE FINANCE AND AUDIT COMMITTEE

1. This Committee shall be known as the Finance and Audit Committee. The Committee is an advisory committee of the Board to recommend the approval of the Company's finance and audit framework.
2. The Board will appoint the Committee Chair and Committee members based on individual skills, insights and expertise.
3. The Committee members must ensure that they understand investLogan's structure, controls and types of transactions in order to adequately assess the risks faced by investLogan in its operating environment.
4. These terms of reference set out the role and authority of the Committee.
5. By approving these Terms of Reference, the Board hereby approves and puts in place the process and authorities set out in this document.

OBJECTIVE OF THE COMMITTEE

To provide advice and assistance to the Board in relation to the efficient governance, financial and audit management of the Company and the overall financial performance of investLogan.

MEETINGS OF THE COMMITTEE

1. The Committee will be chaired by the appointed Director (or their delegate).
2. The Committee will meet at least four times a year with papers circulated at least 2 working days before the meeting.
3. The Chair of the Committee may call an ad hoc meeting of the Committee at any time providing that at least 48 hours prior notice is given to each member of the Committee and that papers are distributed at least 24 hours before the meeting.
4. A quorum shall be one Director and two employees (or their delegate).
5. The Committee Chair should ascertain at the beginning of each meeting, any conflicts of interest and ensure details are recorded in the minutes of the meeting.
6. The Company Secretary will provide the Secretary to the Committee.
7. A copy of the minutes, as approved by the Chair, will be circulated to all members of the Committee as soon as practicable.
8. The Minutes of each Committee meeting will be distributed to the Board for adoption via Circular resolution and tabled to the following Board Meeting for information.

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AUTHORITY OF THE COMMITTEE

1. The Committee has no authority to make decision on behalf of the Board except as set out in these Terms of Reference or otherwise delegated by the Board.
2. By approving these Terms of Reference the Board hereby approves and puts in place the process and authorities set out in this document.
3. The Committee will achieve its objective by reviewing, advising and making recommendations to the Board on:
    a. the integrity of internal financial management, control and reporting systems;
    b. annual operating budget and associated reporting;
    c. systems for compliance with regulatory and contractual obligations in relation to financial management and external reporting, including financial transaction testing;
    d. the appointment and performance of the external auditor for review of Annual Financial Statements;
    e. the appointment and performance of the internal auditor who completes an independent forensic risk review and internal audit on an annual basis;
    f. internal control systems;
    g. business and investment management policies and activities;
    h. the quality of internal and external reporting of financial and non-financial information; and
    i. the overall financial performance of investLogan.

MEMBERSHIP

The members of the Committee shall be:

- Director, Committee Chair;
- Chief Executive Officer;
- Head of Finance; and
- Head of Corporate Governance and Company Secretary.

All Directors of investLogan will be invited to attend all meetings and provided with the agendas of each meeting.

The Board may at any time appoint additional members to the Committee or remove or replace members of the Committee.

No alternate Director shall be appointed as a member of the Committee.

The Committee will comprise a minimum of one Director and one Senior Manager. The Committee may, as required from time to time, seek the services of other Directors or individuals outside the Board (as approved by the Board) with specific skills and experience to assist the Committee in undertaking specific tasks.

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In the event of any vacancy with the result that the number of members (including chair) is reduced to below three, the Board shall fill the vacancy within two (2) months.

The chair of the Committee must not also be the Board chair.

The Board will review the term of appointment of Committee members annually.

RESPONSIBILITIES

To facilitate Committee operations, the Committee:

1. will oversee the appointment, remuneration and work of the external auditor and internal auditor, and approve all auditing and non-audit services;
2. has unrestricted access to all relevant investLogan records (e.g. financial, information systems) and the external auditors;
3. may investigate any matter within its terms of reference, and seek any information it requires from investLogan staff in order to conduct such investigations;
4. may call for relevant members of staff to be present at a meeting of the Committee as required.

The Committee will perform its functions by developing and implementing processes governing financial management, as set out below:

1. review with management, assess and make recommendations to the Board on:
   a. the annual budget and its alignment with approved business plans;
   b. any significant variances against approved budget;
   c. the effectiveness of internal controls to manage unusual or major financial transactions and/or risks;
   d. the processes used to monitor and comply with laws, regulations and other requirements relating to external reporting of financial and non-financial information;
   e. the adequacy of internal and external financial reports, and the adequacy of internal control systems in relation to financial management and reporting;
   f. contracts, agreements or other instruments involving the financial affairs of investLogan;
   g. guidelines and controls for all financial transactions to ensure transparency and accountability;
   h. review the annual financial statements before their presentation to the Board for approval;
   i. review the external auditor's management letter and forensic risk review and internal audit and the Chief Executive Officer's response before submitting both to the Board;
   j. periodically review the appointment of the internal and external auditor and recommend changes to the Board as appropriate;
   k. review the terms of the audit engagement and meet with internal and external auditors to review results and discuss the adequacy and effectiveness of accounting and financial controls, including investLogan policies and procedures to assess, monitor, and manage business risk;

REVIEW

The Committee will review its own terms of reference at least annually and recommend any changes. The Committee may recommend changes at other times as appropriate.

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RELATED DOCUMENTS

Policy Supervisor	Board
Policy Manager	Company Secretary
Previous Approval – Versions	22 September 2017 – V1 7 December 2018 – V2 3 April 2019 – V3
Adopted by the Board	18 April 2019
Date of Review	April 2020
Related documents, procedures and forms	• Delegations Policy and Register • Fraud and Corruption Policy • Crime and Corruption Commission *'Fraud and Corruption Control – Best Practice Guide' (March 2018)* • AS 8001-2008 Fraud and Corruption Control • *Corporations Act 2001* • *Local Government Act 2009*

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