

Audit Committee Charter

This charter exists to ensure that there is a clear understanding of the Audit Committee's role, its rights, responsibilities and composition by committee members, the Board, management and staff.

Purpose of the Audit Committee

The Audit Committee's purpose is to assist the Board in discharging its responsibilities to stakeholders for corporate governance and overseeing the Company's financial reporting, internal control system, risk management system and external audit function.

More specifically the Audit Committee's purpose is to:

- Oversee the Company's internal control and risk management system,
- Ensure the truthful and factual presentation of the Company's financial position,
- Ensure the independence and competence of the Company's external auditor,
- Ensure the Company complies with all legal and regulatory requirements.

Responsibilities

1. Knowledge of the business and financial expertise

The Audit Committee must maintain a sound knowledge of the Company's operations, its structure and the industry in which it operates. The Committee must maintain financial literacy and within its membership a significant financial expertise and experience.

2. External Reporting by the Company

The Audit Committee has an overall responsibility to ensure that the Company has in place a structure of review and authorisation designed to provide the truthful and factual presentation of the Company's financial position and:

- a. The Committee is expected to review and make a recommendation on all published financial statements to the Board, prior to approval by the Board. The Committee is to ensure the published financial statements comply with the requirements of the Corporations Act and the ASX listing rules.
- b. Review any management reports and accompanying published financial statements for consistency of disclosure with the financial statements and seek explanations and additional information as it considers necessary to discharge its duties.
- c. Consider the appropriateness of the Company's accounting policies and principles and to review any changes in accounting practices and policies and their effect on the financial statements during the accounting period.
- d. Ensure that the Company's accounting policies and principles are consistent with the standards issued by the Accounting Standards Board (AASB).
- e. Review management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the external reporting of the Company of financial and non-financial information.

- f. Assess whether appropriate processes are in place to ensure compliance with the Company's policy on materiality. In particular, enquire as to any significant estimates and judgments used in preparing financial or other reports and assess their appropriateness.
- g. Request from the external auditor an independent judgment about the appropriateness, not just acceptability of the accounting principles and of any significant estimates or judgments applied in the preparation of reports.
- h. Assess whether appropriate processes are in place to ensure compliance with the Company's policy on continuous disclosure.
- i. Enquire about material transactions outside the Company's normal operations and review their treatment in reports.
- j. Review and assess information from the external auditor and internal reviews that may impact the quality of the financial reports, in particular any material audit adjustments potential or actual, reporting disclosures, non compliance with laws and/or regulations and internal control and risk issues.
- k. Review the statements issued by the Chief Executive Officer / Managing Director and the Chief Financial Officer to the Board in respect of the Company's financial statements and the material effectiveness of the Company's control environment and enquire what actions have been taken to support the making of these statements.
- l. Review and monitor the propriety and reporting of any related party transactions or events.

3. Risk Oversight and Management and Internal Control

The Committee will ensure that management has established a sound system of risk oversight and management and internal control and at least annually assess the effectiveness and efficiency of that system and will:

- a. Annually review and update the Company's current risk profile and assess internal processes for determining and managing key risk areas, particularly:
 - Non-Compliance with laws, regulations, standards and best practice guidelines,
 - Litigation and claims,
 - Fraud and theft
 - Important judgments and accounting estimates,
 - Relevant business risks.
- b. Assess management programs and policies which deal with the adequacy and effectiveness of internal controls over the Company's accounting and financial systems, and to ensure that processes are in place so that the Board is properly and regularly informed on corporate financial and legal matters.
- c. Review the risk management strategy, processes, assessments and reports to ensure they adequately manage the Company's risk profile.
- d. Evaluate the process the Company has in place to assess and continuously improve internal controls, particularly those related to significant risk.
- e. Assess the effectiveness and compliance with the corporate code of conduct.
- f. Meet regularly with management and the external auditors to understand and discuss the Company's control environment.

- g. Independently meet with and enquire of the external auditor and management whether there is significant disagreement on any material matters.
- h. Review the results of the external audit.
- i. Review the due diligence process used and assess the financial viability of any material capital projects, proposed investments, acquisitions, joint ventures or material alliances, and make recommendations to the Board.

4. External Auditors

- a. Recommend to the Board the procedures for selection, appointment and removal of the external auditor, and to review and concur with any management recommendation for the appointment, termination or replacement of external audit service providers.
- b. Prior to audit engagement, review the audit plan of the external auditors, and ensure that the audit approach covers all financial statement areas where there is a risk of material misstatement and that the audit activities are carried throughout the group.
- c. To review the remuneration and performance of the external auditor, and ensure compliance with the required standards of auditor independence.
- d. To ensure the rotation of external auditor partners are in compliance with the standards of regulatory bodies.
- e. Regularly review and approve the provision of non-audit services by the external auditor and ensure they do not impair the independence of the external auditor.
- f. Where the external auditor conducts an audit for a financial year or half year obtain an Auditors Independence Declaration in accordance with the Corporations Act.
- g. Regularly and prior to the commencement of the external auditor's duties ensure all Directors and staff understand the role of the auditor and do not influence, coerce, manipulate or mislead the auditor nor interfere with the proper conduct of the audit.

3. Powers and Rights of Access

In discharging its duties, the Committee is empowered to investigate any matter with full access to all records, books, facilities and personnel of the Company and its subsidiaries.

The Committee shall have the right to instigate and co-ordinate any internal reviews with those of the external auditor.

The Committee shall have the right to obtain information directly from any external party and after advising the Board the right to instigate special investigations.

Upon approval of the Board the Committee may engage the services of independent professional advisors to assist in its deliberations.

4. Reporting

The Chairman of the Committee will report formally to the Board at the Board Meeting following the Audit Committee Meeting. The report will contain a summary of the Committee's activities and results including:

- a. The minutes of the meeting of the Committee detailing members present and any recommendations to the Board for review and/or approval.
- b. Resolutions of the Committee.
- c. Details of the audit process and the results from the external auditor and of any internal reviews conducted.
- d. Annually or otherwise as required for the purposes of the Director's report, provide a signed resolution of the Committee to the Board setting out the Committee's opinion concerning the independence of the auditor and the Committee's reasons for that opinion.
- e. In respect of any published or external reporting the Committee's assessment of whether the external report is consistent with Committee members' information and knowledge and is adequate for shareholder needs.
- f. An assessment of management's processes supporting external reporting.
- g. Results of the Committee's review of risk management and internal compliance and control systems, setting out how the systems identifies, assesses, monitors and manages risk and how it informs investors of material changes in the Company's risk profile.
- h. Recommendations for the procedure for the selection, appointment and removal of external auditors.
- i. An annual review of the performance of the external auditor.
- j. Provide a description of the Company's Risk Management Policy and internal compliance and control system for inclusion in the annual report.

Corporate Governance

The Committee is responsible for providing timely advice and assistance to the Board to ensure the Company's Corporate Governance Framework is appropriate and beneficial to the Company and its stakeholders and that it satisfies all legal and regulatory obligations of the Company.

The Committee will monitor the adherence by the Directors and staff to the Company's corporate governance principles, policies and procedures and will advise the Board of any material non-conformances.

The Committee will annually review the Corporate Governance Framework of the Company and advise the Board of the details of that review and provide advice as to any changes required to ensure best practice.

Committee Composition and Membership Requirements

Committee members shall be appointed by the Board.

The Committee members appointed shall consist solely of non-executive independent Directors.

The Committee shall consist of at least two (2) members.

An independent Director who is not the Chair of the Board should chair the Committee.

All Committee members shall be financially literate and have a good understanding of the industry, and at least one member shall have accounting or related expertise.

Appointment to the Committee will be for a period of one (1) year and be subject to review by the Board annually immediately following the Annual General Meeting.

The Company Secretary will be the secretary to the Committee.

In accordance with the Company's induction policy all Committee members must be fully acquainted with the Committee's objectives and practices. In particular each new Committee member must be provided with a copy of the Committee's Charter together with information about the Company unless the information has been received and/or retained by them as Directors. The induction should adequately provide information concerning:

- Business operations
- The industry in which the Company operates
- Financial performance
- Risk Management system and the method of management
- The internal control system
- Key financial reporting policies, including related-party issues
- Legal and regulatory requirements, including external reporting and compliance responsibilities
- Access to or a copy of the Corporate Governance Manual
- Details of any unusual transactions
- An estimate of time requirements
- Meet key management and the external auditors
- Briefing and material on any matters still before the Committee
- Background on key audit issues and risk areas including those provided by management and the external auditor

Meetings

The Committee shall meet regularly at such times to ensure it meets its responsibilities and provides timely reports to the Board, but no less than three (3) times per annum.

A quorum shall be two (2) Committee members.

A Committee member may nominate a non-executive independent Director as an alternate member to attend a meeting of the Committee on his/her behalf.

The chairperson of the Committee must chair each meeting of the Committee. If there is no chairperson or if the chairperson of the Committee is not present within 5 minutes after the time appointed for the holding of a Committee meeting, or is present within that time but is not willing to chair all or part of that meeting, then the Committee members present must elect one of themselves to chair all or part of the meeting of the Committee.

The external auditors should meet annually with the Committee without management present.

Review of Charter

The Board will review this charter and the Committee's performance annually to ensure it remains consistent with the Board's objectives and responsibilities.

Publication of Charter

A summary of the charter will be included in the annual report to shareholders.

A copy of the charter is available on the Company's website at www.creditcorp.com.au and on Company's intranet.

A copy of the charter is available to shareholders upon request.