

## **META FINANCIAL GROUP, INC. CHARTER OF THE BOARD OF DIRECTORS AUDIT COMMITTEE**

### **I. Purpose**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Meta Financial Group, Inc. (“the Company”) for the primary purpose of assisting the Board in fulfilling its oversight responsibilities related to:

- The integrity of the Company’s financial statements and the Company’s accounting and financial reporting processes and financial statement audits;
- The registered public accounting firm’s (independent auditor) qualifications and independence;
- The performance of the Company’s Internal Audit function and independent auditors,
- Company’s compliance with legal and regulatory requirements;
- The Credit Review function; and
- The Company’s systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to prepare financial statements, plan or conduct audits, or determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties. The audit committee is entitled to receive any explanatory information it deems necessary to discharge its responsibilities. The organization’s management and staff should cooperate with audit committee requests.

The Company will provide appropriate funding, as determined by the Committee, for compensation to the independent auditor, to any advisers that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may form and delegate authority to Sub-Committees, comprised of one or more members of the Committee, as necessary or appropriate. Each Sub-Committee shall have the full power and authority of the Committee, subject to any limitations imposed by the Committee.

The Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter.

## **II. Committee Membership**

The Committee will comprise three or more directors as determined by the Board. Each Committee member will meet the applicable standards of independence and the determination of independence will be made by the Board. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, law, governance, risk, and control.

Audit committee members should adhere to the organization's code of conduct and any values and ethics established by the organization. It is the responsibility of audit committee members to disclose any conflict of interest to the committee. If there is any question as to whether the audit committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.

All members of the Committee must comply with all financial-literacy requirements of the Nasdaq Stock Exchange. At least one member will qualify as an "audit committee financial expert" as defined by the SEC and determined by the Board.

## **III. Audit Oversight Responsibilities**

### **Documents/Reports/Accounting Information Review**

- Review this Charter at least annually and recommend to the Board any necessary amendments.
- Meet with management and the independent auditor to review and discuss MetaBank's financial results and the Company's annual financial statements and quarterly financial statements (prior to the Company's Form 10-Q filings or release of earnings), as well as all internal control reports (or summaries thereof). Review other relevant reports or financial information submitted by the Company to any governmental body or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditor (or summaries thereof).
- Recommend to the Board whether the financial statements should be included in the annual report on Form 10-K.
- Review the regular internal reports to management (or summaries thereof) prepared by Internal Audit, as well as management's response.

## **Oversight of the Company's Relationship with the Independent Auditor**

- Review and evaluate the lead partner of the independent auditor team.
- Obtain and review a report from the independent auditor at least annually regarding:
  - The independent auditor's internal quality-control procedures.
  - Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm,
  - Any steps taken to deal with any such issues.
  - All relationships between the independent auditor and the Company.

Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and Internal Audit. The Committee shall present its conclusions with respect to the independent auditor to the Board.

- Ensure the rotation of the lead and concurring audit partners every five (5) years and the rotation of other audit partners every seven (7) years, or as otherwise required by law. Consider whether, in order to assure continuing auditor quality and independence, it is appropriate to continue the present policy of reviewing the independent auditor engagement every five years.
- Appoint (and recommend that the Board submit for stockholder ratification, if applicable in the Company's proxy statement), compensate, retain, and oversee the work performed by the independent auditor retained for the purpose of preparing or issuing an audit report or related work. Review the performance and independence of the independent auditor and remove the independent auditor if circumstances warrant. The independent auditor will report directly to the Committee and the Committee will oversee the resolution of disagreements between management and the independent auditor if they arise.
- Consider whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence. Discuss with the independent auditor the matters required to be discussed under Statement on Auditing Standards (SAS) No. 61, as amended by AU Section 380, as adopted by the PCAOB.
- Review the independent auditor's report on the Company's assessment of internal control over financial reporting, if such report is required under applicable SEC rules.

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- Discuss the following with the independent auditor:
  - All critical accounting policies and practices;
  - All alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
  - Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
- Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the outside auditor.
- Review and preapprove (which may be pursuant to preapproval policies and procedures) both audit and non-audit services to be provided by the independent auditor. The authority to grant preapprovals may be delegated to one or more designated members of the Audit Committee, whose decisions will be presented to the full Audit Committee at its next regularly scheduled meeting.
- Recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.

### **Financial Reporting Processes, Accounting Policies, and Internal Control Structure**

- In consultation with the independent auditor and Internal Audit, review the integrity of the Company's financial reporting processes (both internal and external).
- Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls.
- Understand the scope of the internal and independent auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management responses.
- Receive and review any disclosure from the Company's Chief Executive Office ("CEO").

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- Receive and review any disclosure from the Company's Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") made in connection with the certification of the Company's quarterly and annual reports filed with the U.S. Securities and Exchange Commission ("SEC:") of:
  - Significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and
  - Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
- Review and approve all related-party transactions, defined as those transaction required to be disclosed under Item 404 of Regulation S-K.
- Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.
- Prepare a report to stockholders to be included in the Company's annual proxy statement as required by the SEC.

#### **Oversight of the Internal Audit function**

- Review and advise on the selection and removal of the Chief Audit Executive.
- Review the activities and organizational structure of the Internal Audit function, as well as the qualifications of its personnel.
- Annually, review and recommend changes (if any) to the Internal Audit Charter.
- Periodically review, with the Chief Audit Executive, any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
- Annually, review and approve Internal Audit Risk Assessments and the multi-year audit plan.
- Review audit reports (or summaries thereof), and other significant reports prepared by the Internal Audit Department and management's responses to those reports. Require that independent Internal Audit monitoring is performed with respect to regulatory compliance at MetaBank.

## Revision History

Version	Action	Audit Committee Approval Date
3.0	Revised	01/22/2018
2.0	Revised	01/23/2017
1.0	New	02/22/2016