



**ALTISOURCE PORTFOLIO SOLUTIONS S.A.  
AUDIT COMMITTEE CHARTER**

**I. DEFINITIONS**

As used in this Audit Committee Charter (this “Charter”), the following capitalized terms have the following meanings:

“Board” means the board of directors of the Company.

“Committee” means the audit committee formed pursuant to this Charter.

“Company” means Altisource Portfolio Solutions S.A.

**II. PURPOSE OF THE COMMITTEE**

The Committee's purpose is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting and internal control functions of the Company and its subsidiaries. This includes, without limitation:

- (a) Assisting the Board's oversight of:
  - (i) the integrity of the Company's financial statements,
  - (ii) the Company's independent auditors' qualifications and independence and
  - (iii) the performance of the Company's independent auditors and the Company's internal audit function; and
- (b) Preparing the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement.

**III. COMPOSITION OF THE COMMITTEE**

The Committee shall consist of three or more directors as determined from time to time by resolution of the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the National Association of Securities Dealers Automated Quotations (“NASDAQ”), the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations promulgated by the SEC pursuant to the Exchange Act. Directors’ fees (including any additional amounts paid to chairs of committees and to

members of committees of the Board) are the only compensation that a member of the Committee may receive from the Company.

No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee. Any such determination must be disclosed in the Company's annual proxy statement.

The chairperson of the Committee shall be designated by the Board, provided that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson. Each member of the Committee must be "financially literate," as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must have past employment or other experience or background resulting in "financial sophistication" as defined by NASDAQ and as the Board interprets such qualification in its business judgment. Further, at least one member qualifies as an audit committee "financial expert" as defined by the SEC and determined by the Board, and appropriate disclosure will be made in accordance with applicable SEC and NASDAQ rules.

Any vacancy on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy. No member of the Committee may be removed except by majority vote of the independent directors then in office.

#### **IV. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet once every fiscal quarter or more frequently as it shall determine is necessary to carry out its duties and responsibilities. The Committee, in its discretion, may ask members of management, any directors or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee should meet separately on a periodic basis with (i) management, (ii) the head of the Company's Internal Audit department or other person responsible for the internal audit function and (iii) the Company's independent auditors, in each case to discuss any matters that the Committee or any of the above persons or firms believes should be discussed privately.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Corporate Secretary of the Company (the "Corporate Secretary") shall keep written minutes of the Committee meetings, which minutes shall be maintained by the Corporate Secretary with the books and records of the Company. The Committee shall deliver a report on each of its meetings to the Board, including a description of actions taken by the Committee at the meeting. The report to the Board may take the form of (i) an oral report

by the Chairperson of the Committee or any other member of the Committee designated by the Committee to make such report and/or (ii) the written minutes of the meeting.

## **V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

Except as otherwise required by applicable laws or rules, the Committee's responsibilities and procedures should remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions. The following are within the authority of the Committee:

(a) Review at least annually the Company's internal audit plan, internal audit budget and risk management report;

(b) Recommend to the shareholders, in its sole discretion, the appointment of the firm of independent auditors to audit the books and accounts of the Company and its subsidiaries for each fiscal year, which independent auditors shall be ultimately accountable to the Committee and the Board; and approve the independent auditors' annual engagement letter;

(c) Pre-approve (i) all audits to be performed by the independent auditors; and (ii), as provided in the Exchange Act permitted non-audit engagements and relationships between the Company and such auditors, unless the de minimus exception of applicable law permits otherwise and subject to such procedures as may be established by the Committee. The Committee delegates to the chairperson of the Committee the authority to grant such pre-approvals between Committee meetings;

(d) Review the performance of the Company's independent auditors, including the lead partner of the independent auditors, and, in its sole discretion, make decisions regarding the replacement or termination of the independent auditors when circumstances warrant;

(e) Review at least annually the report of the independent auditors describing:

- (i) the independent auditors' internal quality-control procedures;
- (ii) any material issues raised by the most recent internal quality-control review, by a peer review or by any inquiry or investigation by any governmental or professional authority of the independent auditors, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and
- (iii) all relationships between the independent auditors and the Company (including a description of each category of services provided by the independent auditors to the Company and a list of the fees billed for each such category);

The Committee should present its conclusions with respect to the above matters, as well as its review of the lead partner of the independent auditors, and its views on whether there should be a regular rotation of the independent auditors to the Board.

(f) Oversee the independence of the independent auditors by, among other things:

- (i) actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and taking appropriate action to satisfy it of the auditors' independence;
- (ii) inquiring that the lead audit partner and reviewing audit partner responsible for the audit of the Company's financial statements have not performed audit services for the Company for more than the previous five consecutive fiscal years of the Company;
- (iii) inquiring that the Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer, Controller or other persons serving in an equivalent position of the Company, were not, within one year prior to the initiation of the audit, an employee of the independent auditor who participated in any capacity in the Company's audit; and
- (iv) considering whether there should be a regular rotation of the Company's independent auditors;

(g) Review the annual audit plan of the Company's independent auditors, including the scope of the audit, and monitor such plan's progress and results during the year;

(h) Review the results of the year-end audit of the Company by the independent auditors, including any significant matters regarding internal controls over financial reporting that have come to their attention during the conduct of their audit;

(i) Meet to review and discuss with management and the independent auditors the Company's annual audited financial statements and Management's Discussion and Analysis disclosures, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K;

(j) Meet with management and the independent auditors to review and discuss the Company's quarterly financial statements, Management's Discussion and Analysis and the results of the independent auditors' review of the quarterly financial statements;

(k) Review with management, the Company's independent auditors and the director of the Company's Internal Audit department, the following:

- (i) critical accounting policies and such other accounting policies of the Company as are deemed appropriate for review by the Committee prior to any interim or year-end filings with the SEC or other regulatory body, including any financial reporting issues which could have a material impact on the Company's financial statements;
- (ii) any significant changes in the Company's selection or application of accounting principles;
- (iii) alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditors;
- (iv) all other material written communications between the independent auditors and management and
- (v) the effect of off-balance sheet structures on the financial statements of the Company;

(l) Review with the Chief Executive Officer, Chief Financial Officer and independent auditors, periodically, the following:

- (i) any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, including any material weaknesses in internal controls identified by the Company's independent auditors;
- (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls and
- (iii) any significant changes in internal controls over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses.

(m) Attempt to resolve any disagreements between the Company's independent auditors and management regarding financial reporting;

(n) Review on a regular basis with the Company's independent auditors any major issues or serious difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on

the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management. In connection therewith, the Committee should review with the independent auditors the following:

- (i) any accounting adjustments that were noted or proposed by the independent auditors but were rejected by management;
  - (ii) any significant consultations on matters that are otherwise required to be disclosed to the Committee made with the independent auditors' national office respecting auditing or accounting issues; and
  - (iii) any "management" or "internal control" letter issued by the independent auditors to the Company;
- (o) Confirm that the Company's interim financial statements included in Quarterly Reports on Form 10-Q have been reviewed by the Company's independent auditors;
- (p) Review:
- (i) the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget and staffing of the Company's internal audit function, through inquiry and discussions with the Company's internal auditors and management of the Company and
  - (ii) any required report prepared by management and attested to by the Company's independent auditors, regarding the effectiveness of the Company's internal controls over financial reporting and stating management's responsibility to establish and maintain such internal controls, prior to its inclusion in the Company's annual report;
- (q) Review with management the Company's administrative, operational and accounting internal controls, including any special steps adopted in light of the discovery of material control deficiencies, and evaluate whether the Company is operating in accordance with its prescribed policies, procedures and codes of conduct;
- (r) Receive periodic reports from management to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company;
- (s) Establish and maintain a free and open means of communication between and among the Board, the Committee, the Company's independent auditors, the Company's Internal Audit department and management, including providing such parties with

appropriate opportunities to meet separately and privately with the Committee on a periodic basis;

(t) Review the Company's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies, which review may be done generally (i.e., discussion of the types of information to be disclosed and type of presentations to be made), and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance;

(u) Establish clear hiring policies by the Company for employees or former employees of the Company's independent auditors, as needed;

(v) Discuss guidelines and policies governing the process by which senior management of the Company assesses and manages the Company's exposure to risk, as well as the Company's major financial risk exposures, including the Company's credit risk, liquidity risk, operational risk and enterprise risk, and the steps that management has taken to monitor and control such exposures;

(w) Meet regularly with the Company's internal auditors and the independent accountants to discuss the scope and plan for the internal audit and include management in its review of accounting and financial controls and assessment of business risks;

(x) Meet with the General Counsel as appropriate to review legal and regulatory matters that may have a material impact on the financial statements of the Company;

(y) Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement;

(z) Obtain from the Company's independent auditors any information pursuant to Section 10A of the Exchange Act, if triggered;

(aa) Establish procedures for (i) the receipt, retention and treatment of complaints and allegations received by the Company regarding accounting, internal controls, auditing or federal securities law matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, internal controls, auditing or federal securities law matters;

(bb) Conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and retain, at the Company's expense, such independent counsel or other advisors as it deems necessary;

(cc) Review and approve or disapprove all proposed transactions with executive officers and directors that require Committee review in accordance with the Company's Code of Business Conduct and Ethics. No member of the Committee having an interest in a transaction being reviewed shall participate in any decision regarding such transaction;

(dd) Review and approve, ratify or disapprove transactions with related parties under generally accepted accounting principles and with related persons having a direct or indirect material interest under Regulation S-K;

(ee) Discuss with management and the independent auditor the effect of regulatory and accounting initiatives on the Company's financial statements;

(ff) Discuss significant, complex or unusual transactions with management and the independent auditors;

(gg) Report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee should review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.

## **VI. EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance under this Charter. The evaluation should include a review and assessment of the adequacy of the Committee's Charter, including any recommended amendments to this Charter. The performance evaluation by the Committee shall be conducted in such a manner as the Committee deems appropriate.

The Committee shall also prepare and review with the Board an annual performance evaluation of the Committee.

## **VII. POLICY REGARDING OUTSIDE ADVISORS**

To the extent the Committee determines it to be appropriate in fulfilling its duties and responsibilities, the Committee may retain independent counsel, accountants, consultants and other outside advisors without the approval of management. The Company shall bear the cost of such advisors.

## **VIII. CLARIFICATION OF THE COMMITTEE'S ROLE**

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company. While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Company's financial statements are complete, accurate or in accordance with generally accepted accounting principles.

It is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards. Each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it

receives information, (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (iii) statements made by management or third parties as to any information technology, internal audit or other non-audit services provided by the auditors to the Company.

## **AUDIT COMMITTEE CHARTER**

Adopted .....	7 August 2009
Amended and Approved .....	25 January 2011
Amended and Approved .....	14 February 2012
Reviewed and Approved .....	12 February 2013
Amended and Approved .....	10 February 2014
Reviewed and Approved .....	10 February 2015
Amended and Approved .....	11 February 2016
Amended and Approved .....	7 February 2017
Amended and Approved .....	12 February 2018