# Audit Committee Charter

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# Audit Committee Charter

## Mission

The purpose of the Audit Committee is to assist the Board of Directors (Board) of Ally Financial Inc. (Company) in overseeing:

- The Company's accounting and financial reporting, including the quality, accuracy and integrity of the Company's financial statements and financial reporting to any governmental or regulatory body and the public or other users thereof.
- The preparation of the Audit Committee report required by the rules of the Securities and Exchange Commission to be included in the Company's Annual Report on Form 10-K.
- The appointment, qualifications, independence and performance of the Company's independent registered public accounting firm.
- The performance and independence of the Company's internal audit function.
- The effectiveness of risk management, governance internal control maintained by the Company and designed to:
    - Safeguard assets
    - Help ensure accuracy and integrity of accounting, financial reporting and disclosures
    - Maintain compliance with ethical standards, policies, plans, procedures and applicable laws and regulations
    - Promote effectiveness and efficiency of operations
    - Any and all other matters determined by the Board or otherwise required by applicable law or regulation.

The Audit Committee has primary responsibility to review the Company's policies and practices with respect to risk assessment and risk management, and will coordinate this role with the responsibilities of the Risk and Compliance Committee. The Audit Committee will meet with the Risk and Compliance Committee, in executive sessions or otherwise, as often as necessary in fulfilling these responsibilities.

## Membership

The Audit Committee will be comprised of not fewer than three directors. Each member of the Audit Committee must meet the applicable independence, experience and financial literacy requirements of the New York Stock Exchange corporate governance listing standards, the Sarbanes-Oxley Act of 2002, SEC rules and regulations, and other applicable laws and

regulations. At least one member of the Audit Committee will be an "audit committee financial expert" as defined by SEC rules and regulations. Unless approved by the Board, no member of the Audit Committee may simultaneously serve on the audit committees of more than three other public companies.

## Duties and Responsibilities

The Audit Committee has the following duties and responsibilities:

**A. General**

- The Audit Committee will meet as often as it determines, but not less frequently than quarterly. A majority of the members of the Audit Committee constitute a quorum for the transaction of business. All matters to be determined by the Audit Committee must be determined by a majority vote of the members of the Audit Committee present at a meeting at which a quorum is present.
- The Audit Committee may request any officer or employee of the Company or any of the Company's outside counsel or independent registered public accounting firm to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.
- The Audit Committee will meet, at least quarterly, with Management (which includes the Chief Financial Officer, Controller, General Counsel, and other Company officers as deemed necessary), the General Auditor, and the independent registered public accounting firm in separate private sessions to discuss any matters that the Audit Committee or these persons believe should be discussed. The Audit Committee may also meet periodically in separate executive sessions.
- The Audit Committee may retain outside legal, accounting or other advisors, when deemed necessary. The Company is responsible for providing appropriate funding for compensating the independent public accounting firm and any other firm that is engaged for audit, review and attest services, any advisers retained by the Audit Committee, and administrative expenses of the Audit Committee in carrying out its duties.
- The Audit Committee will review, at least annually, this charter and determine whether changes are necessary or appropriate.
- The Audit Committee will conduct, and report to the Board the results of, an annual performance evaluation of the Audit Committee, which includes a comparison of the performance of the Audit Committee with the requirements of this charter.
- The Audit Committee will report regularly to the Board, including review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent registered public accounting firm, or the performance of the General Auditor.

**B. Financial statement and disclosure matters**

The Audit Committee will:

- Prior to their filing, review and discuss with Management, the independent registered public accounting firm and the General Auditor, the Company's audited financial statements filed on Form 10-K and interim financial statements filed on Form 10-Q, including reviewing the Company's disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operation."
- Review and discuss with Management, the independent registered public accounting firm and the General Auditor, the adequacy of the Company's internal control over financial reporting, its disclosure controls and procedures, and the certifications made by the Company's Chief Executive Officer and Chief Financial Officer as required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.
- Prior to their filing, review and discuss with management, the independent registered public accounting firm and the General Auditor, the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies and Form 8-K filings containing material financial information, paying particular attention to the use of non-GAAP financial information in public filings.
- Review and discuss with management, the independent registered public accounting firm and the General Auditor, and receive a timely report from the independent registered public accounting firm with respect to, any significant accounting, tax, financial, reporting policies, issues or judgments made in connection with the Company's financial statements and other financial or informational reports, including any major issues regarding or significant changes in the Company's selection or application of accounting principles, the development, selection and disclosure of critical accounting estimates or judgments (including reserves), an analysis of the effect of any alternative assumptions, estimates or application of GAAP on the financial statements, and the effect of regulatory examinations or any regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements, and obtain from the independent registered public accounting firm a timely report relating to any material communications between the independent registered public accounting firm and management, such as any "management" letter or schedule of unadjusted differences.
- Discuss with management and the independent registered public accounting firm any comment letters or other notifications received from the SEC and the Company's proposed responses to such inquiries.
- Recommend to the Board whether the Company's annual audited financial statements and accompanying notes should be included in the Company's Annual Report on Form 10-K.
- Review management reports issued by the Company in accordance with FDICIA and the corresponding independent registered public accounting firm's attestation and agreed-upon procedures reports.

**C. Oversight of the work of Company's independent registered public accounting firm**

Reference in this section to the Company's independent registered public accounting firm includes any other accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, as applicable.

- The Company's independent registered public accounting firm is ultimately and solely accountable to, and will report directly to, the Audit Committee. The Audit Committee has the sole authority and direct responsibility to appoint, retain, compensate, evaluate and, where appropriate, replace the independent registered public accounting firm (subject to requirements of the Company Bylaws) and will advise the Board on these matters. In connection with this responsibility, the Audit Committee will also evaluate the performance of the lead audit partner of the firm.
- Review and discuss, at least annually, with Management, the independent registered public accounting firm and the General Auditor the scope of the financial statement audit and the firm's attestation report regarding the Company's internal control over financial reporting. The Audit Committee will resolve any disagreements between Management and the independent registered public accounting firm.
- The Audit Committee will require the independent registered public accounting firm to submit, at least annually, a report to the Audit Committee regarding (a) the auditor's internal quality-control procedures and (b) any material issues raised by the most recent internal quality-control or peer review 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 audit firm, and any steps taken to deal with such issues. The Audit Committee will require the independent registered public accounting firm to also submit such a report to the Audit Committee promptly after any review, inquiry or investigation referred to in the preceding sentence.
- The Audit Committee will require the independent registered public accounting firm to also submit on a periodic basis, but at least annually, to the Audit Committee a formal written statement delineating all relationships between the audit firm and the Company, including each non-audit service provided to the Company. The Audit Committee will discuss with the independent registered public accounting firm whether any disclosed relationships or services, or any other factors, may impact the objectivity and independence of the independent registered public accounting firm. The Audit Committee will review the independent registered public accounting firm's annual statement on independence required by the Public Company Accounting Oversight Board.
- The Audit Committee has authority to approve all fees and terms of engagement of the independent registered public accounting firm and will pre-approve, or adopt appropriate procedures to pre-approve, all audit and non-audit services to be provided by the independent registered public accounting firm.
- The Audit Committee will set clear hiring policies for employees or former employees of the independent registered public accounting firm and for audit partner rotation in compliance with applicable laws and regulations.

- Discuss with the independent registered public accounting firm the matters required to be described by SAS 114, including without limitation, any problems or difficulties encountered in the course of the work and Management's response thereto, any restriction on the scope of the independent registered public accounting firm's activities or on access to requested information and any significant disagreements with management.
- Obtain the opinion of Management and the General Auditor of the independent registered public accounting firm's performance.

**D. Oversight of the Company's internal audit function**

- The Audit Committee will review the appointment, performance, compensation, replacement, reassignment, or dismissal of the General Auditor.
- The Audit Committee will periodically, but no less than annually, review and approve the internal audit charter, audit policy and the General Auditor's proposed audit plan and financial budget and staffing.
- The Audit Committee will require the General Auditor to periodically update the Audit Committee on the performance of the internal audit function, including the status of the annual audit plan, as well as a summary of significant changes made to such plan, disagreements with management, and any significant or material audit findings, including Management's progress in addressing such findings.

**E. Risk management, compliance and internal control oversight responsibilities**

The Audit Committee will:

- Require and receive from the General Auditor, periodically, and from Management, as appropriate, communications and presentations on significant operating and control issues in internal audit reports, management letters, and regulatory authorities' examination reports, and on the initiation and status of significant special investigations. The Audit Committee may initiate such other inquiries into the affairs of the Company as it deems necessary or appropriate.
- Require and receive periodic presentations from Management and the independent registered public accounting firm and the General Auditor, as appropriate, on the identification and resolution of significant deficiencies and/or material weaknesses in internal control which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information and any fraud involving management or other employees with a significant role in internal control. The Audit Committee shall also review any special audit steps adopted in light of material control deficiencies.
- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

- At least once per year, the Audit Committee will meet in joint session with the Risk and Compliance Committee to:
    - Discuss with management the guidelines and policies for assessing and managing the Company's exposure to risks, including reputation risk, the Company's major financial risk exposures and the steps management has taken to monitor and control, report on and, as necessary, disclose such exposures.
    - Review with management the Company's program for compliance with laws and regulations and review the record of such compliance
    - Review significant legal cases outstanding against the Company or its subsidiaries and other regulatory or legal matters that may have a material impact on the Company's financial statements.
    - Review the program established by management to monitor compliance with the Code of Conduct, and review the record of such compliance.
    - Review regulatory authorities' significant examination reports pertaining to the Company, its subsidiaries and associated companies.