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# Audit and Risk Committee Charter

**CountPlus Limited (ACN 126 990 832)**  
**As adopted by the Board**

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## **1. Purpose**

- 1.1 The Countplus Board of Directors have established an Audit and Risk Committee to assist in fulfilling its statutory and fiduciary oversight responsibilities in relation to the integrity and reliability of financial reporting, audits, control systems, risk management, and the management of Countplus' compliance obligations.
- 1.2 The purpose of the Audit and Risk Committee is to assist the Board of Directors by reviewing the:
- (a) Financial reporting principles and policies, controls and procedures;
  - (b) Effectiveness of the internal control environment;
  - (c) Work of internal audit which will report directly and solely to the Chairman of the Audit and Risk Committee, whilst maintaining a management reporting line to the Chief Executive Officer;
  - (d) Integrity of the financial statements and the independent external audit thereof, and monitoring compliance with legal and regulatory requirements in relation thereto;
  - (e) Work and overall effectiveness of the external auditors;
  - (f) Any due diligence procedures not provided by the Board Due Diligence Committee;
  - (g) Internal Audit (IA) Program in respect of corporate activities;
  - (h) Supervision procedures required by regulatory bodies to the extent relating to financial reporting to the market, and
  - (i) Risk management and compliance framework.

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## **2. Powers of the Audit and Risk Committee**

- 2.1 Subject to the requirement to keep the Board informed of its activities, and to any conflicting legal or regulatory requirements, the Audit and Risk Committee has power to deal with, and where applicable resolve, determine finally and approve, all matters falling within the scope of its purpose, function and duties as set out in this Charter and all other matters that may be delegated by the Board to the Committee from time to time including power:
- (a) To approve principles, policies, strategies, processes and control frameworks for the management of risk and compliance obligations;
  - (b) To approve, or recommend any changes to, risk appetite as appropriate;
  - (c) To sub-delegate its powers and discretions to executives of Countplus with or without power to delegate further.
- 2.2 The Audit and Risk Committee has unrestricted access to senior management, internal audit and the external auditors in order to fulfill its purpose and undertake its duties.
- 2.3 The Audit and Risk Committee, with the agreement of the Chairman of the Board, may retain legal, financial, accounting or other expert advisors as it considers necessary.

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## **3. Functions**

- 3.1 The primary functions of the Audit and Risk Committee are to review:
- (a) Significant accounting and reporting matters.
  - (b) The reporting of financial information to users of financial reports.
  - (c) The appointment and effectiveness of the external auditor.

- (d) Systems of internal control and internal audit.
- (e) The risk management framework.

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### **4. Duties and Responsibilities**

#### **4.1 Generally**

- (a) To ensure overall integrity of the financial reporting function;
- (b) To ensure that members of the Committee are informed about changes in statutory requirements, accounting standards, ASX listing requirements, corporate legislation or guidelines affecting financial reporting;
- (c) To assess whether the resources devoted to the accounting function (including training and succession planning) are adequate to ensure that reporting arrangements are of high quality and to advise the Board of any identified shortcomings;
- (d) To ensure that periodic assessments are undertaken of the financial risks faced by the company in the course of its operating activities, and to review and agree on the arrangements undertaken to manage or mitigate those risks;
- (e) To consider and review the adequacy of internal controls, having regard to risks;
- (f) To consider, periodically review, and approve schedules of delegated authorities operating within the company;
- (g) To provide a line of communication so that employees may raise issues of concern relating to the management of the company's physical and financial resources, or to the accuracy or sufficiency of information being provided to managers or the Board, or Board sub-Committees;
- (h) To provide a statement in the company's annual report describing the Committee's objectives and responsibilities, and how it has discharged those responsibilities during the past financial year;
- (i) To monitor and review the effectiveness of the Group Audit; and
- (j) To oversee and recommend to the Board matters in relation to the external auditor.

#### **4.2 Related Party Transactions and Executive Expenditure**

- (a) To consider, and if thought appropriate, pre-approve any proposed related party transactions.

#### **4.3 External Audit**

- (a) Act as an interface between the Board and the external auditors;
- (b) Review the financial statements and company reports with the external auditors;
- (c) Review reports prepared by the external auditors;
- (d) Annually review and assess the independence of the external auditor;
- (e) Conduct external audit tenders periodically and, where appropriate, recommend the appointment of an auditor;
- (f) Review and recommend to the Board the terms of the contractual engagement with the external auditor, including the annual fee;
- (g) Review the external audit plan proposed by the external auditor;
- (h) If considered appropriate, pre-approve any arrangements for the provision of non-audit services that will not threaten the independence of the external auditor;
- (i) To review all representation letters signed by management (in relation to the assertions given to the external auditors in the course of the audit as well as to other external parties) to ensure that information provided is complete and appropriate;

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- (j) The Committee shall ensure that the company maintains hiring policies for employees or former employees of the external auditor in order to prevent the impairment of perceived impairment of the external auditor's judgment or independence in respect of the Company; and
- (k) Review and discuss with the external auditor any matters relating to the conduct of the audit, including responses from management.

### 4.4 Financial Reporting

- (a) To review financial statements, prior to endorsement by the Board for submission to shareholders for adoption for compliance with regulatory requirements;
- (b) To review reporting arrangements to ensure that the company meets its obligations to undertake continuous disclosure to the market and regulatory agencies;
- (c) To review the Statement of Accounting Policies and other notes in the draft accounts, and to gain an awareness of the areas in which management discretion in the choice of accounting methods has been exercised, to make determinations in relation to the choice of accounting policies, and also to ensure that Notes to the financial statements describing the choice and application of accounting policies are informative; and
- (d) To review significant reporting, accounting and tax issues, unusual or complex transactions and obtain external advice, if necessary.

### 4.5 Internal Audit

- (a) Review the internal audit program relating to corporate functions to ensure it covers all material risks, including monitoring the systems of control designed to safeguard the real and intangible assets of the Company;
- (b) Review the quality of internal audit staff or make a recommendation as to whether the internal audit function is outsourced;
- (c) Assess the effectiveness, controls and independence of the internal audit;
- (d) Review significant internal audit findings and action taken by management to address these;
- (e) Ongoing monitoring and review of Countplus' Internal Audit Policy and Internal Audit Program;
- (f) Reviewing issues raised by the internal audit process that impact the risk management framework.

### 4.6 Due Diligence

- (a) Where the Board establishes a Due Diligence Committee, ensure that the Chair of the Audit and Risk Committee is a member of that Committee.

### 4.7 Risk Management and Compliance

- (a) Ongoing monitoring of Countplus Member Firms and review of the Countplus Risk Management Policy and Matrix;
- (b) Ongoing assessment of the Company's and Member Firm's risk profiles;
- (c) Assessing and recommending to the Board acceptable levels of risk;
- (d) Assessing, monitoring and reviewing the appropriate risk management, policy statements and internal control systems of the Company and all Member Firms, to ensure that risk is reduced to or managed at levels determined to be acceptable by the Board and ensuring the implementation of the risk management framework;
- (e) Ongoing monitoring to ensure compliance with continuous disclosure obligations, Listing Rules, Guidance Notes and other obligations required as an ASX listed entity;

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- (f) Ensuring the Company and its Member Firms have in place appropriate compliance plans to ensure compliance with the law, contracts and best practices and in particular, new developments;
- (g) Assessing, monitoring and reviewing the disaster recovery and business continuation arrangements;
- (h) Ensuring safe custody of contracts, significant documents, money and maintenance and security of the physical assets of the company;
- (i) Ensuring that the company has in place appropriate and secure IT systems and support;
- (j) Implementing and reviewing systems for the management of conflicts of interest on the part of the Board, management and staff;
- (k) Ensuring compliance with Human Resources laws and obligations;
- (l) Monitoring compliance by the Member Firms and their advisers with the requirements of the Member Firm's financial services licence and other licences;
- (m) Monitoring breach reporting to the Committee and the Regulators such as ASIC and the ASX;
- (n) Monitoring complaints and the maintenance of the Legislative & Material Claims Register & Member Firms Complaints & Breaches Registers; and
- (o) Reporting to the Board on key issues arising from the Audit and Risk Committee meetings.

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### **5. Limitations of Responsibilities**

- 5.1 Members of the Audit and Risk Committee are not full time employees of Countplus Limited. As such each member of the Audit and Risk Committee is entitled to rely on management and the advice of experts, such as the external auditors, as long as they are not aware of any circumstances where such reliance would be inappropriate.

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### **6. Charter Review**

- 6.1 The Charter, composition and annual agenda for the Audit and Risk Committee will be reviewed at least annually. Any changes to this Charter will require approval of the Board. The Board will review the effectiveness of the Audit and Risk Committee as appropriate.

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### **7. Meetings**

- 7.1 A schedule of Committee meetings will be set each year to ensure that all of the Committee's responsibilities are addressed during the financial year, and to ensure that communications with internal and external auditors are maintained on a regular basis;
- (a) Normally the Committee shall meet at least four times per annum;
  - (b) Meetings may be called by the Chair of the Committee, or at the request of the Chair of the Board;
  - (c) The Minutes of each Committee meeting are reviewed by the subsequent meeting of the Board and the Chairman of the Committee reports on the Committee's conclusions and recommendations;
  - (d) The presence of at least half the members of the Committee constitutes a quorum;
  - (e) Countplus' Company Secretary will act as Secretary to the Committee; and
  - (f) The CEO, CFO, other members of management and external auditor and other experts may be invited to participate in meetings as appropriate.

**8. Membership**

- (a) The Audit and Risk Committee will comprise of at least 3 members;
- (b) Executive directors shall normally attend the meetings with observer status only and shall not be members of the Committee;
- (c) Members shall be appointed by the Board for a limited period and shall not automatically be re-appointed;
- (d) The role of Chair is not to be held by the Chairman of the Board.
- (e) The majority of the members shall have experience in financial reporting or management reporting. At least one member must be a “Financial Expert” within the meaning of that term as described in the ASX Corporate Governance guidelines. However membership shall reflect a mix of skills and experience. To that end, the Board may engage outside experts to strengthen the Committee (either as members or advisers).

## Document control

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