
Audit and Risk Committee Charter

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

1. Purpose

- 1.1 The CountPlus Board of Directors ('Board') have established an Audit and Risk Committee ('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 Committee is to assist the Board 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 Chair of the 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 Acquisitions 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.

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 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 Committee has unrestricted access to senior management, internal audit and the external auditors in order to fulfill its purpose and undertake its duties, including the authority to require them to attend meetings or provide any information or advice that the Committee requires.
- 2.3 The Committee, with the agreement of the Chair, may retain legal, financial, accounting or other expert advisors as it considers necessary.
- 2.4 The Committee has the authority to access CountPlus' documents and records.
- 2.5 The Committee has the authority to access and interview management and external auditors (with or without management present).

3. Functions

- 3.1 The primary functions of the 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.

4. Duties and Responsibilities

4.1 Generally

- (a) To ensure overall integrity of the financial reporting function;
- (b) To review and make recommendations in relation to the adequacy of CountPlus' corporate reporting processes;
- (c) 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;
- (d) 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;
- (e) To ensure that periodic assessments are undertaken of the financial and other risks faced by CountPlus in the course of its operating activities, and to review and agree on the arrangements undertaken to manage or mitigate those risks;
- (f) To consider and review the adequacy of internal controls, having regard to risks;
- (g) To consider, periodically review, and approve schedules of delegated authorities operating within CountPlus;
- (h) To provide a line of communication so that employees may raise issues of concern relating to the management of CountPlus' physical and financial resources, or to the accuracy or sufficiency of information being provided to managers or the Board, or Board sub-Committees;
- (i) To provide a statement in CountPlus' Annual Report describing the Committee's objectives and responsibilities, and how it has discharged those responsibilities during the past financial year;
- (j) To monitor and review the effectiveness of group internal audit; and
- (k) 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 CountPlus' reports with the external auditors;
- (c) Review reports prepared by the external auditors;

CountPlus Limited – Audit and Risk Committee Charter

- (d) Annually review the performance of and assess the independence of the external auditor, with the review of independence to be based on the external auditor's relationships and services with CountPlus and other organisations;
- (e) Conduct external audit tenders periodically and, where appropriate, recommend the appointment of an auditor;
- (f) Make recommendations to the Board on the rotation of the audit engagement partner;
- (g) Review and recommend to the Board the terms of the contractual engagement with the external auditor, including the annual fee;
- (h) Review the external auditor's fee and be satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's set fee;
- (i) Review the external audit plan proposed by the external auditor;
- (j) If considered appropriate, pre-approve any arrangements for the provision of non-audit services if those arrangements will not threaten the judgment or independence of the external auditor and, if required, develop policies for Board approval to ensure that the judgment or independence of the external auditor is not impaired;
- (k) 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;
- (l) The Committee shall ensure that CountPlus maintains hiring policies for employees or former employees of the external auditor in order to prevent the impairment or perceived impairment of the external auditor's judgment or independence in respect of CountPlus;
- (m) Make recommendations to the Board on the removal of the external auditor;
- (n) Ensure that any recommendation to replace the external auditor is carefully evaluated before the Board makes a final decision;
- (o) Review and discuss with the external auditor any matters relating to the conduct of the audit, including responses from management and any specific points of divergence with management;
- (p) Invite the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
- (q) Review the scope and adequacy of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- (r) Monitor and examine management's response to the external auditor's findings and recommendations; and
- (s) Meet with the external auditor without management present at least once a year.

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 assess (before publication) whether external reporting is consistent with the understanding of the Committee members and otherwise provide a true and fair view of the financial position and performance of CountPlus;
- (c) To review reporting arrangements to ensure that CountPlus meets its obligations to undertake continuous disclosure to the market and regulatory agencies;
- (d) 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;

CountPlus Limited – Audit and Risk Committee Charter

- (e) To assess significant estimates and judgments in financial reports by examining the processes used to derive material estimates and judgments and seeking verification of those estimates from external auditors;
- (f) To review management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by CountPlus of financial and non-financial information;
- (g) To review material documents and reports prepared for lodgement with regulators, assessing their impact on CountPlus and making recommendations to the Board on their approval or amendment;
- (h) To ensure that a comprehensive process is established to capture issues for the purpose of continuous reporting to the ASX;
- (i) To review the completeness and accuracy of CountPlus' main corporate governance practices as required by the ASX Listing Rules;
- (j) To assess information from external auditors that affects the quality of financial reports;
- (k) To ask the external auditor for an independent judgment about the appropriateness of the accounting principles used and the clarity of financial disclosure practices used by CountPlus;
- (l) To assess solvency and the going concern assumption;
- (m) To assess the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur;
- (n) To recommend to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them; and
- (o) 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 CountPlus;
- (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; and
- (g) Review and make recommendations to the Board in relation to the appointment and removal of the head of the internal audit staff or equivalent outsource provider.

4.6 Due Diligence

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

4.7 Risk Management and Compliance

- (a) Ongoing monitoring of CountPlus Partner Firms and review of the CountPlus Risk Management Policy and Matrix;

CountPlus Limited – Audit and Risk Committee Charter

- (b) Ongoing assessment of and updates to CountPlus' and Partner 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 CountPlus and all Partner Firms, including the insurance portfolio of CountPlus and the Partner 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;
- (f) Assessing and ensuring that CountPlus and its Partner Firms have internal controls for determining and managing key risk areas, such as non-compliance with laws, regulations, standards and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws (as relevant from time to time), important judgements and accounting estimates, litigation and claims, fraud and theft and relevant business risks not dealt with by other Board committees;
- (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 CountPlus;
- (i) Ensuring that CountPlus 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 Partner Firms and their advisers with the requirements of the Partner Firm's financial services licence and other licenses;
- (m) Receiving reports concerning material and actual incidents within the risk areas identified in (f) to (l) and ensuring that macro risks are reported to the Board at least annually;
- (n) Conducting investigations of breaches or potential breaches of any internal controls, and incidents within the risk areas identified in (f) to (l), particularly in relation to accounts and financial reporting;
- (o) Monitoring breach reporting to the Committee and the Regulators such as ASIC and the ASX;
- (p) Monitoring complaints and the maintenance of the Litigation and Complaints Register;
- (q) Encouraging voluntary reporting by employees to the Committee of breaches of CountPlus and Partner Firm policies, and incidents of the risk areas identified in (f) to (l);
- (r) Assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk;
- (s) Meeting periodically with key management, external auditors and compliance staff to understand CountPlus and Partner Firm's control environment;
- (t) Overseeing the preparation of a summary of the main internal and external risk sources that could adversely affect CountPlus and Partner Firm's prospects for future financial years, for inclusion in the operating and financial review section of the director's report; and
- (u) Reporting to the Board on key issues arising from the Committee meetings.

5. Limitations of Responsibilities

- 5.1 Members of the Committee are not full-time employees of CountPlus. As such each member of the Committee is entitled to rely on management and the advice of experts, such as the external auditors, as long as they have made reasonable and thorough enquiries of management and

CountPlus Limited – Audit and Risk Committee Charter

the experts with respect to the financial matters they are reviewing or considering and are not aware of any circumstances where such reliance would be inappropriate.

6. Charter Review

- 6.1 The Charter, composition and annual agenda for the Committee will be reviewed at least annually to ensure it remains relevant to the current needs of CountPlus. Any changes to this Charter will require approval of the Board.
- 6.2 The Charter is available on the CountPlus website. Key features are published in:
- (a) Either the Annual Report or on the CountPlus website; and
 - (b) In the Appendix 4G to be lodged with the ASX at the same time as lodgment of the Annual Report.
- 6.3 The Board will review the effectiveness of the Committee as appropriate and whenever there are major changes to the management structure of CountPlus. The performance evaluation will have regard to the extent to which CountPlus has met its responsibilities in terms of this Charter.

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) The Committee shall meet at least four times per annum and as frequently as required for the Committee to undertake its role effectively;
 - (b) Meetings may be called by the Chair of the Committee, at the request of the of the Board, any member of the Committee or the external auditor;
 - (c) The Minutes of each Committee meeting are reviewed by the subsequent meeting of the Board and the Chair of the Committee reports on the Committee's conclusions and recommendations;
 - (d) The presence of at least two (2) members of the Committee constitutes a quorum;
 - (e) CountPlus' Company Secretary will act as Secretary to the Committee;
 - (f) The CEO, CFO, other members of management and external auditor and other experts may be invited to participate in meetings as appropriate; and
 - (g) The Committee may request management and/or others to provide such input and advice as is required.
- 7.2 The Chair of the Committee determines the meeting agenda after appropriate consultation. The Secretary distributes the agenda and any related documents to all Committee members and other attendees before each proposed meeting.
- 7.3 The Chair of the Committee receives all reports between the external auditor and management.

8. Membership

- (a) The Committee will comprise of at least three (3) members, all of whom are non-executive directors and a majority of whom are independent directors;
- (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, and resignations of members shall be decided by the Board. The Chair

CountPlus Limited – Audit and Risk Committee Charter

of the Committee must be an independent non-executive director who is not a Chair of the Board, and is to be appointed by the Board;

- (d) If, for a particular Committee meeting, the Committee Chair is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a Chair for the meeting;
- (e) The majority of the members shall have experience in financial reporting or management reporting. At least one (1) member must be a “Financial Expert” within the meaning of that term as described in the ASX Corporate Governance guidelines. The members must also have a sufficient understanding of the industry in which CountPlus operates. 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);
- (f) If the Committee Chair approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at CountPlus’ expense;
- (g) Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities;
- (h) At the first meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year; and
- (i) The Company Secretary is the Secretary of the Committee.

Document control

Document number:	02
Effective from:	June 2018
Date approved:	
Approved by:	The Board
Last review date(s):	April 2015