

RISK AND AUDIT COMMITTEE CHARTER

CERTAINTY

INGENUITY

ADVANTAGE

 **Computershare**

Risk and Audit Committee Charter

1. ORGANIZATION

This Charter governs the conduct of Computershare Limited's (the 'Company') Risk and Audit Committee. A reference in this Charter to the 'Group' means a reference to the Company and each of its controlled entities.

1.1 Membership

The Committee will be members of, and appointed by, the Board of the Company and will be comprised of at least three non-executive Directors that have diverse, complementary backgrounds, and the majority of whom are independent Directors. The Committee Chair will have leadership experience and a strong finance, accounting and/or business background, and must be an independent Director who is not the Chair of the Board.

All Committee members will be financially literate and at least one member will have accounting and/or related financial management expertise as determined by the Board.

1.2 Meetings

The Committee will meet as frequently as is required but not less than four times each year.

A quorum is at least two members of the Committee. Should the Chairperson be absent from a meeting, the members of the Committee present shall appoint a Chairperson for that particular meeting.

A standing invitation is issued to all non-executive Directors who are not members of the Committee to attend meetings.

The Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Audit Executive and External Auditors will be invited to attend meetings, as required. Other Company executives and advisers may also be invited as the Chairperson think fit.

2. PURPOSE

The Risk and Audit Committee will provide assistance to the Board of Directors in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control systems, risk management and compliance framework and the internal and external audit functions. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee, external auditors, internal auditors and management of the Company.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company, and has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

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3. AUDIT DUTIES AND RESPONSIBILITIES

3.1 Financial Reporting

A primary responsibility of the Risk and Audit Committee is to oversee the Company's financial reporting and controls process on behalf of the Board and report the results of its activities to the Board. The Board has ultimate responsibility for the Company's financial reports, including the appropriateness of the accounting policies and principles used by the Company.

While the Risk and Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Risk and Audit Committee to conduct audits. The external auditors are responsible for auditing the Company's financial reports and for reviewing the Company's unaudited interim financial reports.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions. The Committee will take appropriate actions to assist the Board in setting the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behaviour.

In addition, the Committee will:

- discuss the results of the half-year review, the annual external audit and any other matters required to be communicated to the Committee by the external auditors under generally accepted auditing standards; and
- review and recommend to the Board for approval the Annual Report and Appendices 4D and 4E prior to the filing of those with the ASX and/or ASIC (as applicable).

3.2 Assessment of Accounting and Financial Controls

The Committee will discuss and satisfy itself of the adequacy and effectiveness of the Company's accounting and financial controls with management and the internal and external auditors (either together or separately).

The Committee will provide sufficient opportunity for the internal and external auditors to meet privately with the members of the Committee (if required) to discuss any issue or concern warranting the Committee's attention.

The Committee will also receive, as appropriate, reports from the external auditor on the critical policies and practices of the Company, and any alternative treatments applied to financial information within generally accepted accounting principles that have been discussed with management. The Committee will review with the external auditor any audit problem or difficulty the external auditor has raised or experienced, and management's response to the matter.

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3.3 Appointment of External Auditors

The Committee will be responsible for making recommendations to the Board of Directors on the appointment, reappointment or replacement (subject to, if applicable, shareholder ratification) of the Company's external auditor as well as monitoring their effectiveness and independence.

The Committee will also be responsible for reviewing and approving the terms of engagement and any fees of external auditors (either directly or by delegates within authority limits named in the External Auditor Independence Policy) and in the event that the Board decides to tender the external audit function the Committee will manage the tender process and recommend its preferred tenderer to the Board.

The Committee will discuss with the external auditors the overall scope of the external audit and the materiality thresholds to be applied, including identified risk areas and any additional agreed procedures.

The Committee will be responsible for periodically evaluating the effectiveness of the external auditor.

3.4 Assessment of the Independence of the External Auditor

The Committee will periodically assess the independence of the external auditor by considering the relationships and services provided by the external auditor that may lead to an actual or perceived lack of independence.

The Committee will be responsible for establishing an External Auditor Independence Policy and for ensuring that the terms of the policy are reviewed annually. The purpose of the policy is to establish a governance framework to oversee the provision of services by the external auditor to Computershare that is designed to ensure that the external auditor does not accept engagements to provide non-audit services to Computershare that would impair the independence of the auditor, in fact or in appearance.

The policy will include authority limits for delegates to approve audit, audit related and other services that may be performed by the external auditor as well to identify those non-audit services that the external auditor is prohibited from providing to Computershare in all circumstances.

The Committee, at least on an annual basis, will review a report by the external auditor regarding (or alternatively will meet, discuss and document with them):

- the audit firm's internal quality control procedures;
- any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and

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- all relationships between the external auditor and the Company or any other entity that may impair or appear to impair the external auditor's judgment or independence in respect of the Company.

The Committee will also report to the Board on whether it is satisfied that the provision of non-audit services is compatible with the external auditor independence requirements imposed by the Corporations Act 2001 (Cth) so as to assist the Board in reaching its decision for the purpose of making a statement to that effect in the Company's annual report. In assessing the independence of the external auditors, the Committee will also have appropriate regard to the auditor independence requirements of any other relevant jurisdiction for the Group.

In addition to assessing the independence of the external auditor, the Committee will set clear 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 the Company, and will oversee the rotation of the external auditor's audit engagement partners at least every five years.

3.5 Assessment of the Independence of the External Auditor

The Committee will monitor the activities and effectiveness of the internal audit function. Its responsibilities include:

- approving the internal audit charter ;
- on an annual basis, approving the internal audit plan;
- reviewing reports from the Chief Audit Executive on major issues arising from the internal audit program and reporting to the Board on those issues, as appropriate;
- monitoring the progress of the internal audit function against the internal audit plan and objectives; and
- through the Chair, approving the appointment and/or replacement, as necessary of the Chief Audit Executive, and periodically reviewing their performance and approving their remuneration.

The Chief Audit Executive will have a direct reporting line on internal audit matters to the Chair of the Committee and will also maintain a separate reporting line to the Chief Executive Officer in order to facilitate full and frank exchange of information between the Chief Audit Executive and the business.

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4. RISK AND COMPLIANCE DUTIES AND RESPONSIBILITIES

4.1 Risk appetite and reviewing the effectiveness of the risk management framework

The Committee is responsible for overseeing and reviewing the Company's risk management and internal control framework including by:

- assisting the board in setting the risk appetite for the Group;
- reviewing and recommending to the Board for approval any changes to, the Group's risk management framework and enterprise risk management policy annually and overseeing management of risk in relation to the Group's risk appetite;
- reviewing the Group's risk profile as developed by management and monitoring and reporting to the Board emerging risks and changes in the Group's risk profile;
- reviewing management and internal audit reports on the effectiveness of the internal control and risk management systems and management of material business risks ;
- reviewing and recommending to the Board for approval any changes to, the Computershare Whistleblower policy and receiving and assessing reports on submissions of reportable conduct made under the policy; and
- reviewing and overseeing Computershare's tax control framework, including the Computershare Group's Tax governance policy and reviewing and recommending to the Board for approval any disclosures proposed under the voluntary tax transparency code and also considering and providing guidance to the Board on material tax issues and tax risk management issues that may arise.
- ensuring that adequate resources exist, including an appropriate level of skill and management seniority, to support the effective execution of risk management for the Group.

4.2 Legal and regulatory compliance

The Committee will:

- review and assess management's oversight of the Group's compliance with relevant regulatory and legal requirements;
- review reports prepared by management in relation to the Group's compliance with statutory, legal and other regulatory requirements and identify and consider any matters that may have a material impact on the Group's activities, and report on those matters to the Board; and
- receive and assess reports by the Group's internal legal counsel on material litigation and regulatory matters concerning the Group's operations.

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5. COMMITTEE PERFORMANCE

The Committee will perform a review of its performance annually with a view to ensuring it continues to function effectively by reference to current best practice.

6. REVIEW OF CHARTER

The Committee will review this charter annually and submit any recommended amendments to the Board for consideration and approval.

This version of the Charter was approved by the Board on 8 March 2018.

