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## **Board Charter**

Count Financial Limited  
(ACN 001 974 625)

As adopted by the Board of Count Financial Limited

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## **1. Introduction**

- 1.1** The Board of Directors (Board) is accountable to Shareholders for the performance of Count Financial Limited (Count Financial). In carrying out its responsibilities, the Board undertakes to serve the interests of Shareholders honestly, fairly, diligently and in accordance with applicable laws while having due regard to the interests of employees and the broader community.
- 1.2** Count Financial was acquired on 1 October 2019, by CountPlus Limited (Parent Company) with 85% shareholding and Count Member Firm Pty Ltd holding the remaining 15%. The Parent Company is listed on the Australian Securities Exchange and has adopted its separate Board Charter that is published on the website [www.countplus.com.au](http://www.countplus.com.au).
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## **2. Board Structure**

### **2.1 Board Size and Composition**

- 2.1.1** The Directors shall determine the size and composition of the Board, subject to the limits established by the Count Financial Constitution. The Count Financial Constitution provides for a minimum of three (3) Directors and a maximum twelve (12).
- 2.1.2** The Board shall consist of non-executive Directors and executive Directors, a majority of whom shall be non-executive, independent Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- 2.1.3** A Director will be considered to be independent by Count Financial if that Director:
- (a) Is not, does not represent, and has not been, within the last three (3) years, an officer or employee of, or professional adviser to, a substantial shareholder of Count Financial;
  - (b) Is not, or has not been, within the last three (3) years, a partner, officer or employee of a provider of professional services to Count Financial;
  - (c) Is not employed in an executive capacity by Count Financial and within the last three (3) years has not been employed in an executive capacity by Count Financial, or been a Director after ceasing to hold any such employment;
  - (d) Is not a recipient of performance-based remuneration (including options or performance rights), or participates in an employee incentive scheme of Count Financial;
  - (e) Is not, or has not been within the last three (3) years, in a material business relationship (e.g. as a supplier or customer, professional adviser or consultant) of Count Financial, or an officer of or otherwise associated directly or indirectly with, someone with such a relationship;
  - (f) Does not have a material contractual relationship with Count Financial other than as a Director of Count Financial;
  - (g) Does not have close personal ties with any person who falls within any of the categories described above;
  - (h) Has not served on the Board for a period where their independence from management and substantial shareholders may have been compromised; and
  - (i) Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Count Financial.

- 2.1.4 If a Director does not satisfy one (1) or more of the circumstances in clause 2.1.3, the Board may determine that that Director is independent if the Board is satisfied on reasonable grounds that the Director is independent. In each such case, the materiality of the interest, position, association, or relationship will be assessed by the Board in order to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Count Financial and its Shareholders generally.
- 2.1.5 The threshold for materiality for the purpose of assessing the materiality of relationships between a Director and Count Financial (other than as a Director), will be judged according to the significance of the relationship to the Director in the context of their activities as a whole.
- 2.1.6 The Board will regularly assess the independence of each Director considering the interests disclosed by them. That assessment will be made at least every two years, or around the time that the Board considers candidates for the election to the Board. Each independent Director must provide the Board with relevant information for this.
- 2.1.7 Membership of the Board shall be disclosed in the annual report.

## **2.2 Conduct of individual Directors**

- 2.2.1 Directors must always act in accordance with legal and statutory requirements and discharge all their duties as Directors. The Directors must:
- (a) Discharge their duties in good faith and in the best interests of Count Financial and for a proper purpose;
  - (b) Act with care and diligence, demonstrate commercial reasonableness in their decision making, and act with the level of skill and care expected of a Director, including applying an independent and enquiring mind to their responsibilities;
  - (c) Avoid conflicts of interest except in those circumstances permitted by law;
  - (d) Not make improper use of information gained through their position as a Director;
  - (e) Not take improper advantage of their position as a Director;
  - (f) Notify other Directors of a material personal interest when a conflict arises;
  - (g) Make reasonable enquiries if relying on information or advice provided by others;
  - (h) Undertake any necessary inquiries in respect of delegates;
  - (i) Give Count Financial all the information required by the *Corporations Act 2001* (Cth) (**Corporations Act**); and
  - (j) Not permit Count Financial to engage in insolvent trading.
- 2.2.2 The Board has not adopted a tenure policy.
- 2.2.3 The Board shall make recommendations to Count Financials' Shareholders for the election or removal of Directors.

## **2.3 Chair**

- 2.3.1 The Board shall appoint the Chair of the Count Financial Board.
- 2.3.2 The Chair should be an independent and non-executive Director.
- 2.3.3 The Board may vary the above in exceptional circumstances.
- 2.3.4 The Chair's role includes:
- (a) Conducting the Annual General Meeting and other Shareholder meetings efficiently such that Shareholders have adequate opportunity to air their views and obtain answers to their queries;
  - (b) Ensuring effective communication with Shareholders and ensuring that members of the

- Board develop an understanding of the views of the major Shareholders (if applicable);
- (c) Providing coherent leadership of Count Financial, including representing Count Financial and understanding the views of Shareholders;
  - (d) Promoting the highest standards of corporate governance and seeking compliance with the provisions of the Parent Company's Code of Ethics and Conduct Policy;
  - (e) Setting the agenda for Board meetings in consultation with the other Directors and the Company Secretary, and ensuring adequate time is available for discussion of all agenda items, including strategic issues;
  - (f) Conducting meetings competently and ethically, and providing effective leadership in formulating the strategic direction for Count Financial;
  - (g) Ensuring the members of the Board receive accurate, timely and clear information, about Count Financials' performance, to enable the Board to make sound decisions, monitor performance effectively, and provide advice to promote the success of Count Financial;
  - (h) Ensuring that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and Count Financial;
  - (i) Ensuring effective implementation of Board decisions;
  - (j) Facilitating effective contributions of all Directors, both inside and outside the Board Room;
  - (k) Managing the Board to ensure that sufficient time is allowed for discussion of complex or contentious issues. Where appropriate, arranging for informal meetings before the Board meeting to enable thorough preparation for Board discussion. Non-executive Directors should have sufficient time to consider critical issues and should not be faced with unrealistic deadlines for decision-making;
  - (l) Building an effective and complementary Board (the membership of which is skilled and appropriate for Count Financials' needs), initiating change, and planning succession in Board appointments, subject to Board and Shareholders' approval;
  - (m) Providing an induction programme for new Directors that is comprehensive of Count Financials' operations. This includes, issuing formal letters of appointment for new Directors setting out the key terms and conditions relative to that appointment, and the expectations of the role of Director;
  - (n) Addressing development needs of the Board with a view to enhancing its overall effectiveness as a team;
  - (o) Ensuring that the performance of individuals and of the Board as a whole and its Committees is evaluated periodically;
  - (p) Ensuring that the Board is providing leadership and vision and working in a constructive partnership with Management;
  - (q) Being the Board's representative in dealings with management ensuring that its views are communicated clearly and accurately;
  - (r) Establishing a close relationship of trust with senior management, providing support and advice whilst respecting executive responsibility;
  - (s) Ensuring that independent Directors meet separately on a regular basis to consider, among other things, senior executive performance; and
  - (t) Overseeing the role of Company Secretary, including, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board.

## 2.4 Company Secretary

- 2.4.1 The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 2.4.2 The Company Secretary is responsible for:
- (a) Advising the Board and its Committees on governance matters;
  - (b) Monitoring that Board and Committee policy and procedures are followed;
  - (c) Coordinating the timely completion and despatch of Board and Committee papers;
  - (d) Ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
  - (e) Helping to organise and facilitate the induction and professional development of Directors.
- 2.4.3 Each Director should be able to communicate directly with the Company Secretary and vice versa.

## **2.5 Board Committees**

- 2.5.1 The Board shall establish Board Committees to assist it in carrying out its responsibilities.
- 2.5.2 The Board shall approve Charters setting out matters relevant to the composition, responsibilities and administration of any Board Committee, and other matters that the Board considers appropriate.
- 2.5.3 To assist the Board in carrying out its responsibilities, the Board has established several standing committees comprising of all or some of its members. They are:
- (a) Audit and Risk Committee;
  - (b) Investment Committee; and
  - (c) Professional Standards Committee; and

An Advisory Committee has also been established, but this Committee is not a committee of the Board of Count Financial.

- 2.5.4 The Board shall determine the terms of reference of ad hoc Board Committees.
- 2.5.5 Directors are entitled to attend Board Committee meetings and receive Committee papers.
- 2.5.6 Board Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions.
- 2.5.7 The Chair of each Board Committee will report back on Committee meetings to the Board at the next full Board meeting and the Board shall consider recommendations from Board Committees.

## **2.6 Board Meetings**

- 2.6.1 The Board shall determine the frequency and duration of the Board and Committee meetings. The Board meets formally at least four (4) times per annum and whenever necessary to deal with urgent matters which might arise between scheduled meetings. The Chair of the Board shall convene additional meetings upon request of any Board member who considers it necessary.
- 2.6.2 To adequately cover financial, strategic and major risk areas, the Chair shall establish meeting agendas.
- 2.6.3 The Company Secretary acts as Secretary to the Board.
- 2.6.4 Senior members of management attend Board meetings to present reports on, or seek approvals in relation to, their areas of responsibilities.
- 2.6.5 Part of each meeting can be taken up in private session (with only the Board members

present) to discuss management issues or matters of a particularly sensitive nature.

- 2.6.6 The external auditor meets with the Board as part of the full year financial accounts preparation.
- 2.6.7 Questions arising at a meeting of Directors are to be decided by a majority of votes of the Directors present and voting and, subject to the Corporations Act and Count Financials' Constitution, each Director has one (1) vote.

## **2.7 Board Performance**

- 2.7.1 The Board shall establish and maintain a proper process to evaluate the performance of the Board, the Board Committees and individual Directors. The Board shall undertake a performance review of itself every two years. In reviewing its performance, it shall:
  - (a) Assess its performance against the requirements of the Board Charter and Board Committee Charters; and
  - (b) Effect any improvements to the Board Charter deemed necessary.
- 2.7.2 The Board shall review the Charters of Board Committees annually.

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## **3. Responsibilities**

### **3.1 The Board**

- 3.1.1 The role of the Board is to provide overall strategic guidance, financial management and controls for Count Financial through effective oversight of management. To fulfil its responsibilities and duties, the Board has expressly reserved for itself the following matters:
  - (a) Demonstrating and providing leadership, reviewing and setting the strategic direction and purpose of Count Financial with management and monitoring management's implementation of that strategy and management's performance generally;
  - (b) Adhering to the Parent Company's statement of values in its Code of Ethics and Conduct Policy to underpin the desired culture within Count Financial and overseeing senior management's instilling of those values;
  - (c) Monitoring financial outcomes and the integrity of reporting, and in particular, approving periodic financial statements, annual budgets and longer term strategic and business plans;
  - (d) Overseeing the integrity of Count Financials' accounting and corporate reporting systems, including the external audit;
  - (e) Satisfying itself that an appropriate framework is in place for relevant information to be reported to the Board by senior management, and whenever required, challenging senior management to hold it to account;
  - (f) Satisfying itself, with the assistance of the Audit and Risk Committee, that Count Financial has in place an appropriate risk management framework for both financial and non-financial risks, and setting the risk appetite within which the Board expects management to operate;
  - (g) Setting specific limits of authority for management to commit to new expenditure, enter contracts or acquire businesses;
  - (h) Monitoring compliance with regulatory requirements and ethical standards, including reviewing and ratifying codes of conduct and compliance systems;
  - (i) Monitoring the effectiveness of the audit, risk management and compliance systems that are in place to protect Count Financials' assets and to minimise the possibility of Count Financial operating beyond acceptable risk parameters;

- (j) Appointing the Chair;
- (k) Selecting and appointing (or replacing) Directors, the Managing Director, the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary; and
- (l) Determining Count Financials' dividend policy, and the approval of dividends (including as to the amount and timing of payment);

### **3.2 Auditors**

3.2.1 Having regard to the recommendations of the Audit and Risk Committee, the Board shall:

- (a) Make recommendations to Shareholders for the appointment and removal of external Auditors including the remuneration and terms of appointment of the Auditors; and
- (b) Select and appoint external Auditors on an interim basis when a vacancy occurs in the office of Auditor.

### **3.3 Chair and Chief Executive Officer**

3.3.1 There is a clear division of responsibilities between the Chair, who is responsible for the running of the Board, and the Chief Executive Officer, responsible for the running of Count Financials' business.

3.3.2 No one individual is to have unfettered powers of decision-making.

### **3.4 Senior Management**

3.4.1 Senior Management are responsible for:

- (a) Implementing Count Financials' strategic objectives and instilling and reinforcing its values, all while operating within the values of the Parent Company's Code of Ethics and Conduct Policy;
- (b) Providing the Board with accurate, timely and clear information on Count Financials' operations to enable the Board to perform its responsibilities (including information about the financial performance of Count Financial), compliance with material legal and regulatory requirements, and any conduct that is materially inconsistent with the values of Count Financial or the Parent Company's Code of Ethics and Conduct Policy.

3.4.2 Directors are entitled to request additional information from senior management at any time they consider it appropriate.

### **3.5 Delegation**

3.5.1 The Board shall determine the scope of authority (and any limits on that authority), which is delegated to the Chief Executive Officer or any other officer.

3.5.2 Responsibility for implementing the strategic direction and for managing the operations of Count Financial is delegated to the Chief Executive Officer. The Chief Executive Officer consults with the Chair, in the first place, on matters which are sensitive, extraordinary or of a strategic nature.

3.5.3 Clear lines of communication are to be established between the Chair and the Chief Executive Officer to ensure that the responsibilities and accountabilities of each are understood.

### **3.6 Policies and principles**

3.6.1 The Board shall approve policies and principles that apply individually and collectively to the Board.

3.6.2 The Board and Count Financial will adhere to the Parent Company's policies including the:

- (a) Code of Ethics and Conduct Policy;
- (b) Anti-Bribery and Corruption Policy;
- (c) Privacy Policy;

- (d) Diversity Policy;
- (e) Risk Management Policy; and
- (f) Conflicts of Interest Policy.

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#### **4. Board Access to Information and Independent Advice**

- 4.1** All Directors have unfettered access to Count Financial records and information they consider necessary to fulfil their responsibilities. Directors also have access to the Company Secretary and other senior management to seek explanations and information. Directors receive regular detailed financial and operational reports and may request elaboration or explanation of those reports at any time.
- 4.2** The Board collectively, and each Director individually, has the right to seek independent professional advice at Count Financials' expense to help them carry out their responsibilities. While the Chair's prior approval is needed, it may not be unreasonably withheld.

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#### **5. Related Party Transactions**

- 5.1** The Board is to delegate to the Audit and Risk Committee responsibility for reviewing and monitoring related party transactions and investments involving the Directors.



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