

Charter

Audit & Risk Committee

The role of the committee is to assist the Board in discharging its obligations with respect to the following areas:

1. Financial Reporting

- Ensure the integrity in financial reporting (refer section below – Safeguard Integrity in Financial Reporting).
- Review for accuracy financial statements for each reporting period prior to approval by the Board, and publishing.
- Ensure required declarations from the Company's CFO and Chief Executive are received for each reporting period.
- Ensure that the financial statements for each reporting period comply with appropriate accounting standards.
- Regularly review Accounting Standards and Company Policies in conjunction with the Auditors, and recommend adoption/changes to the Board.
- Direct follow-up action where considered necessary.
- Relate any matters of concern to the Board.

2. Tax Governance

- Oversight of TechnologyOne Group's taxation matters and ongoing development
- Review of taxation governance processes, policies, control framework and reporting

3. Internal Audit

- Ensure that systems of internal control are functioning effectively and economically and that these systems and practices contribute to the achievement of the Company's corporate objectives.
- Ensure the Internal Audit Function maintains a high standard of performance

4. External Audit

- Receive and review reports from the external auditor.
- Oversight of the process to ensure the independence and competence of the Company's external auditors.
- Review the performance of the external auditor on an annual basis.
- Recommend the selection and the appointment of the external auditors, based on specified criteria.

5. Compliance

- Monitor compliance with the requirements of the Corporations Act, Listing Rules, Australian and Foreign Taxation Offices and other related legal obligations.

6. Risk Management

- Oversee the ongoing development by management of an enterprise-wide risk management framework for management of material risks.

- Periodically review the adequacy and effectiveness of the Company's policies and procedures relating to risk management and compliance.
- Make recommendations to the Board on key risk management performance indicators and levels of risk appetite.

The committee meets at least four times per year, with full minutes being kept, and reports to the Board on a regular basis.

7. Principles of the Audit and Risk Committee

The committee operates in accordance with the following broad principles:

- Advise and assist the Board in fulfilling its responsibilities relating to financial management, risk oversight and reporting functions and in safeguarding the Company's assets;
- Provide a means of easy access to the Board for the external auditors in order to assist them in performing their functions;
- Assign the Secretary of the Committee such duties and responsibilities as the Committee may deem appropriate.
- Do other things and take other actions as are necessary or prudent to fulfil the responsibilities of the Committee, provided that no action will be taken without prior approval of the Board.
- TechnologyOne requires the rotation of the external audit partner every five years. The Audit and Risk Committee includes members who are financially literate; and at least one member who has financial expertise, preferably a qualified accountant.

The following information is provided in the Corporate Governance section of the Annual Report:

- Details of names and qualifications of those appointed to the Audit and Risk Committee.
- The number of meetings of the Audit and Risk Committee and the names of attendees.
- Explanation of any departures from the ASX Corporate Governance Principles and Recommendations 4th Edition.