

Water Polo Australia Limited

ABN 86 159 573 403

Finance, Risk and Audit Committee Charter

1. PURPOSE

This Charter sets out the purpose, responsibilities, authority, membership, and meeting processes of the Finance, Risk and Audit Committee of the Water Polo Australia Limited Board.

The purpose of this charter is to clearly define the respective roles, responsibilities, and authorities of the Board's Finance, Audit and Risk sub-committee.

This Charter has effect from the date nominated by the Board until otherwise notified by the Board.

2. RESPONSIBILITIES AND AUTHORITY

2.1 Responsibilities

With respect to oversight, the duties of the Committee shall be:

- Preparation and integrity of the Organisation's financial accounts and statements (at least Quarterly)
- To review and provide advice on the annual and quadrennial budgets to the Board.
- to review and provide advice on the contracts register and commitments of the Company (at least every six months).
- Internal controls, policies and procedures that the Organisation uses to identify and manage business risks.
- Organisation insurance activities.
- qualifications, independence, engagement, fees and performance of the Organisation's External Auditor.
- External Auditor's annual audit of the Organisation's financial statements
- Organisation's compliance with legal, regulatory requirements and compliance policies.

With respect to the assessment of financial information, the duties of the Committee shall be:

- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the Organisation's financial statements.
- Review the annual financial statements of the Organisation which require approval of the Board and discussion of the financial statements with the External Auditor and management before submission to the Board.
- Review, at least annually, the written attestations provided by the CEO and CFO/Finance Manager.
- review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.

With respect to the external auditor, the duties of the Committee shall be:

- Recommend to the Board the appointment, evaluation and dismissal of the External Auditor, including independence matters.
- Review and approve the External Auditor's proposed audit plan and audit approach, including materiality levels.
- Review and agree on the terms of engagement and the audit fees for the External Auditor prior to the commencement of each audit.
- Review the External Auditor's summary management report, detailing the results and significant findings from the audit, and management responses and inform the Board on unresolved concerns.
- Meet regularly with the External Auditor, without management present.
- Provide opinion to the Board with regard to acceptance of findings (or otherwise) regarding the year-end annual accounts.

With respect to business risk and internal controls the duties of the Committee shall be:

- Recommend the approval of the Organisation's risk management policy to the Board and oversee the risk management system and its resourcing, including an Internal Audit Scheme.
- Recommend to the Board and monitor the Organisation's risk profile developed by management, covering the principal enterprise-wide risks, including strategic, operational, legal and financial.
- Review the operational effectiveness of the policies and procedures to risk and the Organisation's internal control environment.
- Review the effectiveness of the Organisation's insurance activities.

With respect to compliance the duties of the Committee shall be:

- Review the effectiveness of the Organisation's approach to achieving compliance with laws, regulations, industry codes and Organisation policies.
- Review any correspondence from regulatory bodies regarding significant issues.
- Ensure that there is a process for the Board Chair and Committee Chair to be immediately informed of any issues of significant non-compliance or litigation, when implemented.
- Review the Company's compliance scheme, provide reporting on appropriateness, compliance and breaches to the Board.

With respect to reporting the duties of the Committee shall be:

- The Committee Chair will report to the Board on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report (with supporting material) for noting or approval by the Board.
- The Committee Chair will ensure that the Board Chair and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of the Organisation.

The existence of the Committee does not imply the fragmentation or diminution of the role of the Board to ensure the integrity of the Organisation's financial reporting.

2.2 Authority

The Board has authorised the Committee, within the scope of their duties and responsibilities set out in this charter to:

- perform the activities required to address its responsibilities and make recommendations to the Board.
- resolve any disagreement between Management and the External Auditor, with areas of significant disagreement advised to the Board.
- select and recommend for approval by CEO or Board, as required any professional advisers that the Committee may require to carry out duties related to the FRAC charter.
- require the attendance of any Organisation manager or staff member at meetings as appropriate; and
- have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter.

2.3 Board Directions

The Board may delegate additional powers, responsibilities and authority to the Committee, generally or for a defined period, and may remove and re-allocate any power, responsibility and authority to the Board, other committees or other persons at any time.

The Board may give the Committee directions as to the manner of exercising any of the Committee's powers, responsibilities and authority as the Board sees fit at any time which override any inconsistent provisions of this Charter, and the Committee will follow any such direction.

3. **Meaning of Words**

In this Charter, unless the context otherwise requires:

Board means the Board of WPA.

Chair means the Chairperson of the Committee.

Committee means the Finance, Risk and Audit Committee (FARC).

Company or **Organisation** or **WPA means** Water Polo Australia Limited.

Constitution means the Constitution of WPA.

Meeting means a meeting of the Committee.

Member means a Member of the Committee.

Secretary means the person appointed by the WPA CEO, which may vary from time to time.

The singular imports the plural and vice versa; and

Other terms defined in the Constitution have the same meaning in this Charter.

4. **STRUCTURE AND COMPOSITION**

4.1 **Membership**

The Committee appointed by the Board shall comprise at least two Members and not more than five. The Committee must include at least two Directors of the Board.¹

The Committee Members shall be:

- “financially literate” as defined by the Board (i.e., able to read and understand financial statements and challenge information presented in Committee meetings); and
- have at least one external and independent Member who shall be a Certified Practicing Accountant or Chartered Accountant.²

Committee member rotation is encouraged.

The appropriate Executives(s) or their delegate will attend FRAC meetings at the invitation of the Chair.

¹ From December 2020 the Director members of the Committee are Kay Copeland and Greg Turner, while Trent Birkett has standing invitation as Board Chair.

² The external independent member with CPA qualifications is Nicholas Falzon.

Under 45(a) of the WPA Constitution the President is an ex officio Member of all Board committees other than the Athletes' Commission.

4.2 Chair

The Chair³ is appointed by the Board and must be a Non-Executive Director

Following consultation with the Directors, the Board Chair proposes the Committee Chair for approval by the Board.

The Committee Chair must not be the Board Chair.

Should the Committee Chair be absent from a meeting, the Committee Members present must appoint a Chair for that particular meeting, who should not be the Board Chair.

The role of the Chair is to:

- determine the agenda for Meetings in conjunction with the Secretary.
- chair Meetings and take reasonable steps for the proper functioning of the Committee, including the proper conduct of Meetings and an appropriate level of discussion.
- take reasonable steps regarding the adequate and timely flow of relevant information to Members.
- advise the Board of the Committee's recommendations and report to the Board on behalf of the Committee as required under this Charter.
- review and arrange circulation of draft minutes of the Committee for Member comment and sign the minutes with or without change after considering any comment; and
- liaise on behalf of the Committee with other committees, external parties and management.

4.3 Appointment

The Board may appoint, replace or remove Members at any time and shall review the composition of the Committee and tenure of Members at least annually. It is good practice to periodically rotate Committee membership, and Members should not anticipate continuous service on the Committee for longer than five years.

4.4 Term

Membership of the Committee will be reviewed annually following the WPA AGM.

³ From December 2019 – the Chair of the Committee is Kay Copeland.

5. MEETINGS

The Committee must meet at least four times per year and participants may attend by video conference (including MS teams/Zoom) and/or teleconference.

The Committee Chair, any Committee Member or the Executive may call a meeting of the Committee.

5.1 Frequency and Notice

The Committee will meet as frequently as is necessary to undertake its role effectively and under normal circumstances at least four times per calendar year.

The Chair may call Meetings and will call a Meeting if required by the President or any other Board member. Notice of each Meeting confirming the date, time, venue and agenda providing adequate details sufficiently in advance to allow Members a reasonable opportunity to prepare and attend will be forwarded to each Member and the Secretary (who shall promptly distribute the notice for information to the Board).

The number of Meetings and Members' attendance at those Meetings should be disclosed in the WPA annual report and/or on the WPA website.

Notice of a Meeting may be given by telephone or electronic communication.

5.2 Quorum

Unless otherwise determined by the Board, the default quorum is 50% of members present at the time the meeting commences.

5.3 Other Attendees

Any person may be invited by the Committee Chair to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Board Chair
- Chief Executive Officer
- Chief Financial Officer/Finance Manager or equivalent role
- Engagement Partners of the External Audit Firm

Standing invitations to attend and speak at Meetings may be issued to non-members by the Board or the Chair. Any standing invitation or permission granted, or invitation issued by the Chair may be withdrawn, suspended or revoked by the Chair in respect of all or any part of any Meeting at any time.

Only Members have voting rights.

5.4 Member Interests

Subject to the Law, Members will not be provided with relevant Committee papers, participate in discussions and must not vote (or be present for the voting) on any matter in respect of which that Member has a material personal interest.

Any such interests should be declared and noted in the minutes of the relevant Meeting. In the case of Member Directors this may be satisfied by re-stating at the start of the Meeting and recording in the minutes a Director's relevant interests as they appear in the Register of Directors' Interests maintained by the Company.

5.5 Support

All records, including agendas, minutes and any reports or other materials tabled at a Meeting will be maintained and managed by the Secretary in the same manner as similar Board records are maintained and managed from time to time.

The Secretary will also be responsible for arranging the venue or the technology to be used for the Meeting, producing (in conjunction with the Chair) and circulating any notice of Meeting, agenda and materials for the Meeting, as well as (except when the Committee is in closed session) attending and taking and circulating the minutes of the Meeting to the Chair for review and approval, as well as to other members, invitees and the Board as appropriate (or arranging for this to be done).

5.6 Use of Technology

Meetings may be conducted other than in person using any technological means by which Board meetings may be conducted under the Constitution that has been consented to by all Directors (and not withdrawn), or otherwise is consented to by Members.

Each Member by agreeing to be a Member is taken to have consented to the use of such technological means that has been consented to by all Directors for Board meetings.

5.7 Minutes

The Secretary or delegate must prepare the minutes of the Committee within seven (7) working days. After the Committee Chair has given preliminary approval, the draft minutes are circulated to all Committee members and the other Directors.

5.8 Decisions

Matters will be decided by a majority of votes made by Members present and voting at the Meeting. The Chair does not have a casting vote and matters in relation to which the Committee holds delegated decision making or action authority under 2.2 of this Charter with an equal number of votes for and against will be referred to the Board for resolution.

6. ACCESS

6.1 Resources, Information and Advice

The Committee has authority to investigate any matters within its Charter, and for this purpose has free and unfettered access to the Company's resources and information it needs to do so, including by obtaining necessary external professional advice or assistance as approved by the Board.

6.2 Independent Advice

Members may seek and obtain independent professional advice at the Company's cost after first obtaining the approval of the Board or of any person to whom the Board has delegated authority to give such approval. Any such advice obtained must be made available (along with the instructions given to the adviser) to the other Members and all Directors.

7. REPORTING

7.1 To Board

The minutes of Meetings shall be included in the papers for the next Board meeting after approval by the Chair. The Chair shall report (orally or in writing) the Committee's decisions, findings and recommendations to the Board after each Meeting.

7.2 Communication with Other Committees

Where there are overlapping responsibilities and duties between the Committee and another committee (for example the Finance, Risk and Audit Committee), the Chair shall consult regularly with the chair of the relevant committee and may establish mechanisms for communication between the relevant committees to avoid inefficiencies, gaps or conflicts.

8. REVIEW AND ASSESSMENT

The Committee will review this Charter at least annually and recommend to the Governance Committee who will review and send to the Board for approval of any appropriate amendments.

The Board will evaluate the performance of the Committee and revise this Charter from time to time as appropriate.

9. HISTORY

Revised by the Board:	14 March 2019 with immediate effect.
Revised by the Committee:	March 2021
Adopted by the Board	30 April 2021 with immediate effect.