

Risk and Internal Audit Committee (RIAC)

Terms of Reference

1. Purpose and powers

- 1.1. The purpose of the Risk and Internal Audit Committee (RIAC) is to assist the Board of Directors to oversee and scrutinise the internal audit function, including reviewing open audit items, risk management and compliance with laws and regulations.
- 1.2. The Risk and Internal Audit Committee (RIAC) is empowered to:
- a) do all things necessary to fulfill its responsibilities, including (subject to (b) below) retaining appropriately qualified advisors to assist it to manage issues that may from time to time arise;
 - b) spend up to a total of \$100,000 (excluding audit fees) on appropriately qualified advisors annually, with any additional spend being approved by the Finance and Financial Audit Committee;
 - c) require the attendance of any Company Manager or staff member at meetings as appropriate; and
 - d) have unrestricted access to management, employees and information it considers relevant to its responsibilities under the Terms of Reference.

2. Responsibilities

2.1. The RIAC is responsible for:

- a) approving and periodically reviewing the Company's risk policy and risk appetite statement;
- b) approving and periodically reviewing Company policies as delegated by the Board;
- c) recommending (to the Board) the appointment of outsourced internal auditors, receiving audit reports and holding discussions with the auditors, as deemed appropriate, on:
 - i. internal financial practices;
 - ii. the scope of audits;
 - iii. matters arising from audits; and
 - iv. any other matter relevant to its responsibilities.
- d) Receiving reports and making enquiries concerning the Company's:

Commercial-in-Confidence

eftpos Payments Australia Limited ABN 37 136 180 366

Head Office Level 11, 45 Clarence Street, Sydney NSW 2000 | GPO Box 126, Sydney NSW 2001

Telephone +61 2 8270 1800 | Facsimile +61 2 9299 2885 | Email: info@eftposaustralia.com.au

www.eftposaustralia.com.au

Risk and Internal Audit Committee (RIAC)

Terms of Reference

- i. risk management and governance framework, including the sufficiency of the controls environment;
 - ii. Management of financial risk, internal audit, technology operations risks, conduct risk and compliance risk and ensure they are kept within acceptable limits;
 - iii. administrative policies; and
 - iv. related party transactions and the probity thereof;
- e) reviewing and recommending changes to eftpos' insurance policies;
- f) establishing and reviewing thereafter when appropriate a risk management framework so as to facilitate the monitoring and management of risk as contemplated in 2.1(d) (ii) above; and
- g) reporting to and receiving reports from the Chair of each other Board sub-committee on risk and compliance related matters and reporting to the Board about matters discussed in the committee.

3. Composition and tenure

- 3.1.** The RIAC shall comprise 3 - 5 directors appointed by the Board, including at least 1 Independent Director appointed pursuant to article 5.3(a) (i) of the *eftpos Constitution*.
- 3.2.** The Board may appoint and remove a director from the RIAC at any time, effective from the date of the Board resolution appointing or removing the director.
- 3.3.** At least one member of the Committee should have experience in risk management or legislative and regulatory compliance.

4. Quorum

- 4.1.** The quorum for a meeting of the RIAC is 3 including at least 1 Independent Director appointed pursuant to article 5.3(a) (i) of the *eftpos Constitution*.

5. Chair

- 5.1.** Subject to paragraph 5.3, the Board shall appoint an Independent Director appointed pursuant to article 5.3(a) (i) of the *eftpos Constitution* as Chair of the RIAC, unless the Board otherwise determines, noting a preference for an Independent Director with appropriate experience in risk management or regulatory compliance to fulfill the role of Chair of the RIAC where possible.

Commercial-in-Confidence

eftpos Payments Australia Limited ABN 37 136 180 366

Head Office Level 11, 45 Clarence Street, Sydney NSW 2000 | GPO Box 126, Sydney NSW 2001

Telephone +61 2 8270 1800 | Facsimile +61 2 9299 2885 | Email: info@eftposaustralia.com.au

www.eftposaustralia.com.au

Risk and Internal Audit Committee (RIAC)

Terms of Reference

- 5.2. The Chair of the Committee should be knowledgeable of eftpos' business and risk management framework and processes and have the following responsibilities:
- a) planning and conducting meetings;
 - b) overseeing reporting to the Board; and
 - c) leading verbal presentations to the full Board and Board subcommittees.
- 5.3. If the Chair is not present at a meeting of the RIAC then another Committee Member (excluding the Chairman of the Board) shall Chair the meeting.

6. Voting

- 6.1. Each Member of the Committee will have one vote.
- 6.2. The Committee Chair will not have a casting vote. If there is a tied vote the motion will be taken to the Board.

7. Attendance by non-Committee members

- 7.1. Any current Director of eftpos (who is not a member of the RIAC) may attend any meeting of the RIAC.
- 7.2. The Chair of the RIAC may require the Chief Executive Officer and any risk owner within the business to attend part or all of any of its meetings.

8. Frequency and timing of meetings

- 8.1. The RIAC shall meet:
- a) as required to fulfill its responsibilities; and
 - b) at least once every quarter.
- 8.2. The Chair of the RIAC is empowered to schedule meetings of the RIAC.

9. Minutes and Reports

- 9.1. The Company Secretary (or his or her delegate) shall attend all meetings of the RIAC and minute its proceedings.

Commercial-in-Confidence

Risk and Internal Audit Committee (RIAC)

Terms of Reference

9.2. Minutes of RIAC meetings shall be considered by a meeting of the full Board as soon as practicable.

9.3. Where appropriate the Chair of the RIAC shall prepare, or cause to be prepared, a written report for the Board's consideration.

10. Reviews

10.1. The Committee will annually:

- a) provide to the Board a self-evaluation of its performance against the terms of reference;
- b) review of the performance of external Consultants (if any); and
- c) review the Committee's terms of reference and if appropriate recommend changes to the Board. Only the Board can approve changes to the RIAC terms of reference.

11. Terms of reference (TOR) owner and administrator

TOR owner Company Secretary

TOR administrator Company Secretary

Reviewed on 9 March 2020

12. Approval

These terms of reference were approved by the Board on:

- 1 August 2018 **Resolution No EB2018**
 - 24 March 2020 **Resolution No EB2020**
-

Commercial-in-Confidence

eftpos Payments Australia Limited ABN 37 136 180 366

Head Office Level 11, 45 Clarence Street, Sydney NSW 2000 | GPO Box 126, Sydney NSW 2001

Telephone +61 2 8270 1800 | Facsimile +61 2 9299 2885 | Email: info@eftposaustralia.com.au

www.eftposaustralia.com.au