

## Finance and Financial Audit Committee (FFAC) Terms of Reference

### 1. Purpose and powers

- 1.1 The purpose of the Finance and Financial Audit Committee (FFAC) is to provide oversight of and scrutinise the financial reporting, financial audit and financial risk management of the Company. The FFAC assists the Board of Directors to fulfil their duties regarding the financial oversight of the Company.
- 1.2 The FFAC 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 Board;
  - (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 FFAC is responsible for:
- (a) ensuring that eftpos' accounts fairly represent eftpos' financial position and performance and comply with all regulatory requirements;
  - (b) recommending (to the Board) the appointment of external auditors, receiving audit reports and holding discussions with the auditors, as deemed appropriate, on:
    - (i) internal financial practices;
    - (ii) the scope of financial audits;
    - (iii) matters arising from financial audits; and
    - (iv) any other matter relevant to its responsibilities.
  - (c) monitoring eftpos':
    - (i) internal financial and other controls;
    - (ii) exposure to financial risk and finance operational risk and ensure they are kept within acceptable limits as defined in the Risk Appetite Statement;
    - (iii) administrative policies, financial practices and controls; and
    - (iv) related party financial assistance transactions and the probity thereof; and
    - (v) financial audit reports and progress of closure of audit items and be involved in any decision to extend the time to address open audit items;
  - (d) reviewing eftpos' budget and monitoring expenditure against the budget;
  - (e) reviewing and recommending changes to eftpos' spending delegations; and
  - (f) reporting to and receiving reports from the Chair of each other Board sub-committee on risk, internal audit and compliance related matters and reporting to the Board about matters discussed in this committee.

### 3. Composition and tenure

- 3.1 The FFAC 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 remove a director from the FFAC at any time.
- 3.3 Unless removed beforehand, an appointment to the FFAC shall expire at the conclusion of the second annual general meeting of eftpos following the appointment.
- 3.4 Directors may be re-appointed to the FFAC, save that, unless otherwise determined by the Board:
- (a) at least 2 new directors shall be appointed every 2 years; and
  - (b) no director may serve on the FFAC for more than 4 consecutive years.
- 3.5 At least one member of the Committee should have accounting or related financial expertise.

### 4. Quorum

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

## **5. Chair**

5.1 The Board shall appoint an Independent Director appointed pursuant to article 5.3(a) (i) of the *eftpos Constitution* as Chair of the FFAC, unless the Board otherwise determines, noting a preference for an Independent Director with appropriate finance experience and expertise to fulfill the role of Chair of the FFAC where possible.

5.2 The Chair of the Committee should be knowledgeable of eftpos' business, financial and financial auditing 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 FFAC then another Committee Member 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 FFAC) may attend any meeting of the FFAC.

7.2 The Chair of the FFAC may require the Chief Executive Officer and any open audit item owner to attend part or all of any of its meetings.

## **8. Frequency and timing of meetings**

8.1 The FFAC shall meet:

- (a) as required to fulfill its responsibilities; and
- (b) at least once every quarter.

8.2 The Chair of the FFAC is empowered to schedule meetings of the FFAC.

## **9. Minutes and Reports**

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

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

9.3 Where appropriate the Chair of the FFAC 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 the external Auditor; 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 FFAC terms of reference.

## **11. Terms of reference (TOR) owner and administrator**

TOR owner	Company Secretary
TOR administrator	Company Secretary
Reviewed on	1 August 2018

## **12. Approval**

These terms of reference were approved by the Board on: 1 August 2018 Resolution No EB2018-27