



## Finance, Audit and Risk Committee Charter

### 1. Foundation

#### 1.1. Purpose

The Finance, Audit and Risk Committee (the **Committee**) appointed by the Board assists the Board in fulfilling its oversight responsibilities relating to the:

- preparation and integrity of the Lacrosse Australia's (LA) financial accounts and statements
- internal controls, policies and procedures that LA uses to identify and manage business risks
- LA insurance activities
- qualifications, independence, engagement, fees and performance of the LA's External Auditor
- External Auditor's annual audit of LA's financial statements
- LA's compliance with legal, regulatory requirements and compliance policies.

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

#### 1.2. 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, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties;

- require the attendance of any LA 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.

### *1.3. Membership*

The Committee appointed by the Board shall comprise at least three Members and maximum of 5 members.

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);
- have at least one external and independent Member who shall be a Certified Practicing Accountant or Chartered Accountant;.
- Include the Company Secretary or the LA Board Chair.

Membership of the Finance, Audit & Risk Committee will be reviewed annually and members are eligible for reappointment. Committee member rotation is encouraged.

The Company Secretary or the LA Board Chair is the Committee Secretary.

### *1.4. Chair*

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

The Committee Chair must not be the Chair of the LA Board.

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 Chair of the LA Board.

### *1.5. Education*

The Board is responsible for providing new Committee members with an appropriate induction program and ongoing educational opportunities.

### *1.6. Meetings*

The Committee must meet at least twice per year and participants may attend by video conference (including Skype) and/or teleconference.

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

### *1.7. Meeting Attendance*

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:

- LA Board Chair
- Director of Finance
- Engagement Partners of the External Audit Firm

### *1.8. Quorum and Voting*

A quorum must consist of three members of the Committee.

The Committee Chair shall not have a second or casting vote.

### *1.9. Conflict of Interests*

Committee members will be invited to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from committee discussions on the issue where a conflict exists

### *1.10. Minutes*

The Committee 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.

### *1.11. Reviews*

The Committee will review at least annually this Committee charter and recommend to the Board for approval any appropriate amendments.

## **2. Duties and Responsibilities**

In assisting the Board in fulfilling their responsibilities, the duties of the Committee shall be:

### *2.1. Assessment of financial information*

- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the LA's financial statements.
- Review the annual financial statements of LA 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 LA Board Chair and Director of Finance.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.

### *2.2. External Auditor*

- 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.
- Meet regularly with the External Auditor, without management present.

### *2.3. Business Risks and Internal Controls*

- Recommend the approval of LA's risk management policy to the Board and oversee the risk management system and its resourcing.
- Recommend to the Board and monitor the LA'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 LA's internal control environment.
- Review the effectiveness of LA's insurance activities.

#### *2.4. Compliance*

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

#### *2.5. Reporting*

- 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 LA.

### 3. Finance, Audit & Risk Committee Annual Agenda

	Scheduled meetings			
<b>Structure and Skills</b>				
Review Finance, Audit and Risk Committee charter and Annual Agenda	Annually			
Assess Committee's independence, financial literacy, skills and experience	Annually			
Establish number of meetings for forthcoming year	Annually			
Committee Chair to establish meeting agenda and required attendees	Annually			
Enhance financial literacy- update on current financial events	Annually			
Perform an evaluation assessment on the Committee's and individual Member's performance	Annually			
<b>Assessment of financial information</b>				
Review significant accounting and reporting issues	As required			
Review financial matters affecting the year end	Annually			
Review and approve annual financial statements	Annually			
Review attestations of the LA Chair and Director of Finance for Australian reporting standards	Annually			
Review with LA Board its evaluation of LA's internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses	Annually			
Review and discuss any reports submitted by the External Auditor detailing any instances of fraud or possible illegal acts on the part of Senior Management	Annually			
Review process, policies and procedures for continuous disclosure obligations	Annually			
Review conflicts of interest and related party transactions	Annually			
<b>External Auditors</b>				
Recommend appointment and review performance	Annually			
Review audit plan and scope of audit work and any changes thereto	Annually			

Approve audit fees and terms of engagement	Annually			
Consider policy in relation to non-audit services	Annually			
Review and pre-approve non-audit services	Annually			
Consider objectively the independence of the External Auditor, including obtaining written confirmation of their independence	Annually			
Review the External Auditor's report and findings and progress on Management actions	Annually			
Discuss any significant changes in accounting standards	Annually			
Discuss appropriateness of accounting policies, estimates and judgments	Annually			
Discuss the External Auditors' view on control environment, including fraud risk management	Annually			
Resolve any disagreement between Management and the External Auditor in the financial reporting and report any significant issues to the Board	Annually			
Discuss issues with the External Auditor in the absence of Management	Annually			
Review report from the External Auditor on quality control procedures	Annually			
Review the External Auditor's process for rotation	Annually			
<b>Business Risk and Internal Controls</b>				
Recommend the approval of the risk management policy to the Board	Annually			
Review and monitor business risks and internal controls and report to the Board	Annually			
Ensure executive remuneration risk and controls are linked to the overall risk profile	Annually			
Review insurance activities	Annually			
<b>Reporting</b>				
Maintain minutes and report to the Board	As Required			