

1. INTRODUCTION

1.1 The purpose of this Charter is to document the objectives, responsibilities and administration of the Audit, Risk and Compliance Committee (**the Committee**) which is delegated to the Committee by Basketball Victoria (**BV**) Board (**the Board**).

2. OBJECTIVES

2.1 The objectives of the Committee are to assist the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to oversight of:

- (a) Reporting financial information to users of financial reports;
- (b) Applying accounting policies;
- (c) Maintaining the independence of the company's auditors;
- (d) Financial and management reporting;
- (e) Internal control systems;
- (f) Information technology systems;
- (g) Occupational health and safety (in conjunction with the People and Remuneration Committee);
- (h) Child protection (including Working with Children);
- (i) Risk management;
- (j) Compliance with BV constitution, delegations of authority and material contracts; and
- (k) Compliance with applicable laws and regulations not specifically covered above.

3. DUTIES AND RESPONSIBILITIES

3.1 **General governance mandate.** The Committee examines any matters about the management, financial and compliance risk affairs of BV that it considers necessary, and reviews and makes recommendations to the Board. The Committee may also examine other specific matters referred to it by the Board.

3.2 **Financial Information.** The Committee will:

- (a) Review the financial information presented by management to the Board and to the public;
- (b) Review the company's annual financial report draft before Board approval, focusing on:
 - (i) Significant changes in accounting policies and practices;
 - (ii) Major areas of judgment;
 - (iii) Significant audit adjustments;
 - (iv) Proposed departures from accounting standards; and
 - (v) Compliance with statutory requirements for financial reporting.
- (c) Consider the effects on BV of any new or proposed accounting practices, principles, developments, disclosure requirements, and legislative or regulatory pronouncements.

3.3 **Risks, Policies and Controls.** The Committee will:

- (a) Review accounting, control and risk management practices and policies through active communication with BV management and the external auditors, and by monitoring management's responses and actions to correct any deficiencies;
- (b) Review health and safety, and child safety practices and policies through active communication with BV management, the People and Remuneration sub committee, and

the external auditors, and by monitoring management's responses and actions to correct any deficiencies;

- (c) Review the adequacy and effectiveness of BV's risk management processes including material exposure to and management of economic, brand, environmental and social risks;
- (d) Review the Information Technology program through active communication with BV management and the external auditors, and by monitoring management's responses and actions to correct any deficiencies; and
- (e) Review from time to time the effectiveness of BV's financial personnel or contractors.

3.4 **External Auditors.** The Committee will:

- (a) Recommend to the Board the appointment of external auditors and approve the payment of their annual fees;
- (b) Arrange for the external auditor's attendance at any BV Board meeting and/or the AGM, where considered appropriate by the Chair of the Committee or as requested by the Board;
- (c) Review the performance of the external auditors;
- (d) Ensure that no management restrictions are being placed on the external auditors;
- (e) Monitor the independence of the external auditors and their compliance with professional standards;
- (f) Approve any proposal to engage BV's external auditors for non-audit services; and
- (g) Ensure the annual report provides a full analysis of the total fees paid to external auditors, including a break down of fees for non-audit activities.

3.5 **Compliance with legal and regulatory obligations.** The Committee will review all reports provided to the Committee, the Board, or agencies by management on:

- (a) Corporate governance;
- (b) Occupational health and safety;
- (c) Child safety;
- (d) Systems and controls;
- (e) Compliance programs; and
- (f) Regulatory affairs.

3.6. **Other.** The Committee will:

- (a) Review the placement of BV's insurance program to ensure it meets needs and aligns with the agreed risk profile;
- (b) Review the terms of any material contract (by term or value); and
- (c) Identify any special projects or investigations deemed necessary.

4. ADMINISTRATION

4.1. **Membership of the Committee:**

- (a) The Committee will comprise at least three (3) members.
- (b) All members and the chair are to be appointed by the Board;
- (c) The majority of members will be financial or legally proficient;
- (d) The Chair of the Committee (**the Chair**):
 - (i) Must possess professional accounting qualifications;
 - (ii) Must be a member of BV Board but not be the Chair of the Board; and
 - (iii) Will liaise with the Chief Financial Officer as the primary contact between the Committee and management;
- (e) The Chair may invite BV's CFO and/or BV's CEO to attend Committee meetings;

- (f) From time-to-time, the Chair may invite other people to attend Committee meetings; and
- (g) The Secretary of the Committee is a Committee member nominated by the Chair (**the Secretary**).

4.2. Meetings of the Committee:

- (a) A quorum of the Committee is any two (2) members of the Committee, and must include the Chair;
- (b) Meetings of the Committee are to be held not less than four times a year;
- (c) Special meetings may be convened as required to fulfill the Committee's responsibilities;
- (d) The Committee shall meet with the external auditors and/or BV's CFO as it considers necessary;
- (e) The Committee also meets at the request of the Board, any Committee member, any other non-Committee Board member, BV's CEO, BV's CFO, BV's Secretary, or the external auditor;
- (f) Meetings may be held in person, by telephone or by video conference, or a combination of these;
- (g) A minimum of seven (7) days notice is required for each meeting unless otherwise agreed by all Committee members; and
- (h) The Secretary, or other person nominated by the Chair, takes minutes of the proceedings of all meetings of the Committee, and these minutes will be promptly distributed to all Committee members following review by the Chair.

4.3. Authority:

- (a) The Committee has no executive power over its findings and recommendations;
- (b) The Board authorises the Committee, within the scope of this Charter, to:
 - (i) Obtain any information it requires from any employee or external party, including interviewing management and internal and external auditors (with or without management present);
 - (ii) Obtain outside legal or other independent professional advice (acting reasonably); and
 - (iii) Ensure the attendance of external parties with relevant experience and expertise.

4.4. Board reporting:

- (a) The Chair reports to the Board after each meeting of the Committee. The report should cover the findings and recommendations of the Committee and any matters raised by the external auditor; and
- (b) The report may be written or verbal, or combination, at the discretion of the Chair.

4.5. Review of composition, performance and charter. The Board will review this Charter and the performance of this committee every two years.

(Approved by BV Board on September 2019)