Finance and Audit Committee Charter

1. Introduction

This Finance and Audit Committee (FAC) Charter has been approved by the auDA Board (**the Board**). It sets out the procedures and responsibilities of the Finance and Audit Committee (**the Committee**) and is consistent with rule 8.3 ('Terms of delegation') and 8.4 ('Proceedings of committees') of the auDA's Constitution. It also supports the work of auDA Foundation Pty Ltd's Board, as The Trustee of the auDA Foundation (**auDA Foundation Board**). The auDA Board and auDA Foundation Board are collectively referred to as the auDA **Boards**.

2. Purpose

The Committee assists the Boards to fulfil their governance and oversight responsibilities on matters relating to business sustainability goals, financial management and performance, investment, internal audit reviews, external statutory audit, Enterprise Risk Management and external financial and other reporting.

3. Composition

3.1 The Committee will comprise at least three, but not more than five Board Directors.

3.2 The Chair of the Committee:

a) Must be appointed by the Board

b) Must not be the Chair of the auDA Board or Foundation Board.

3.3 The Board will review the membership of the Committee at least every two years, or as required.

4. Responsibilities

The Committee is responsible for the activities and other actions related to the Committee's purpose that may be assigned by the Board from time to time. The Committee will regularly monitor, review, provide guidance and assurance, and make recommendations to the Board on the following:

Internal Controls

a) Regularly review and where appropriate recommend to the Board, and other Board Committees amendments to auDA’s internal policies and controls relating to business sustainability, financial management and risk including:

- Risk Management Policy, Enterprise Risk Management Framework and Board Risk Appetite Statement
- Delegations Policy (in consultation with the Governance & Culture Committee)
- Purchasing Policy
- Investment Policy
- Expenses Reimbursement and Travel Policy
- Sustainability Policy
- Sustainability Framework and Roadmap
- Bank signatories
- Any policy which has financial or sustainability implications which is overseen by the Board or other Board Committees (e.g. Remuneration)

4.1 Financial Performance

a) Monitor the integrity of auDA's financial reporting system, ensuring adherence to the approved policies and controls relating to financial management.

b) Oversee financial management of auDA, including reviewing:

   i. budgets, forecasts, cashflow, balance sheets, reserves, and ensuring there is sufficient capital for the organisation, and recommending these to the Board

   ii. interim and full financial statements before submission to the Board.

c) Regularly review systems that support auDA's financial operations ensuring they are fit for purpose.

4.2 Investment Performance

a) Review auDA's investment performance, including statements of accounts and ensuring adherence to internal policies and controls relating to investments.

b) Make recommendations to the Boards on the appointment, reappointment, removal and remuneration of third-party investment manager(s).

c) Monitor third party investment manager performance.

d) Make recommendations to the Boards on investment strategies.

4.3 Sustainability

a) Monitor performance against the Sustainability Framework and Roadmap with reference to:
   - Sustainability of business operations
   - Investment management
   - Environmental considerations.

b) Review the Sustainability Framework and Guidelines as required.

c) Review risks and opportunities relating to ESG including:
   - Those relating to annual reporting on performance
   - Quality and reliability of all disclosures
   - Preparedness for and compliance with developing regulations in respect of relating to ESG.

d) Make recommendations to the auDA Boards on the matters listed in 4.4 a) above.

4.4 Audit and Reporting

a) Make recommendations to the auDA Board on the appointment, reappointment, removal and remuneration of the statutory auditors.

b) Maintain effective communications with external auditor.

c) Review statutory accounts and audit reports and monitor any remedial action required.

d) Confirm that statutory annual reporting requirements are being met and recommend acceptance (or otherwise) of statutory accounts to the auDA Boards annually.

e) Consider accounting issues of relevance to auDA's affairs and advise the Boards as required.

4.5 Internal Audit

Commission internal audit projects, if considered necessary, to assess

a) compliance with approved policies and controls.

b) efficiency, operating effectiveness, and risk management.

5. Risk Management

a) Regularly review and provide guidance on the Enterprise Risk Management Framework including Risk Appetite Statement, policies, controls and treatment plans management has put in place to deal with identified risks, and monitor and obtain assurance that auDA is operating within its risk appetite in respect of those risks.

b) Review auDA’s Enterprise Risk Report before submission to the Board, including the Financial Sustainability, Legal & Regulatory, Reputation & Public Trust, Ecosystem Shift, and Strategic risk domains.

c) Liaise with the Security and Technology Committee on risk matters related to the Cyber and Information Security, Operational Resilience, and Technology and Innovation risk domains, for incorporation into auDA’s Enterprise Risk Framework.

d) Liaise with the Governance and Culture Committee on risk matters related to the People and Culture risk domain, for incorporation into auDA’s Enterprise Risk Framework.

5.1 Reporting

a) Oversee the development of a comprehensive *Reporting Strategy* setting out the documents that comprise the *corporate reports portfolio.*

b) Review draft Integrated Report and provide advice to the Board on its adoption.

c) Consider accounting issues of relevance to auDA's affairs and recommend any changes in policies or approach to the Board.

5.2 Other

a) On request from the Governance & Culture Committee, provide input on financial, regulatory risk and tax aspects of remuneration, employment and employee expense reimbursement policies.

b) Receive the quarterly taxation and administrative Compliance Checklist.

6. Terms

6.1 The Committee members shall be subject to the terms applicable under the Constitution of the Company.

7. Meetings of the committee

7.1 The Committee is expected to meet four times per year, or as necessary to fulfil its role.

7.2 The quorum is any two members of the Committee.

7.3 The Committee may invite any person to attend all or part of a meeting of the Committee. Other Directors may attend Committee meetings. The Chief Executive Officer and Chief Financial Officer will be standing invitees, and other senior members of the Company will be invited to attend as required.

7.4 Notice will be given to every member of the Committee of every meeting of the Committee, at the member's advised email address for service of notice (or such other pre-notified interim address where relevant).

7.5 Committee papers will be distributed no later than seven (7) days prior to a meeting. Any papers distributed outside of this timeline will be at the Chair's discretion.

7.6 The Company Secretary will attend and provide support to all Committee meetings.

7.7 The Company Secretary will prepare minutes of the Committee meeting, which will be approved by the Chair of the Committee and circulated to members.

7.8 The Committee minutes will be confirmed at the next meeting.

7.9 The Company will provide administrative and operational support necessary for the Committee to carry out its responsibilities.

7.10 All records, including the agenda and any reports or recommendations will be kept by the Company Secretary.

7.11 The Committee is entitled to rely on employees of the Company or professional advisers or consultants engaged by auDA where:

a) required to obtain a full appreciation of relevant issues

b) there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent

c) the reliance was made in good faith and after making an independent assessment of the information.

7.12 The Committee may initiate special investigations and reports as it deems appropriate or as directed by the Boards, in relation to matters contained in this Charter.

7.13 The Committee may obtain independent expert advice to assist in the discharge of its duties and obligations, with such reasonable costs to be borne by auDA in alignment with the Company's Delegations Policy.

8. Review

8.1 This Charter has been endorsed by the Committee and approved by the Board.

8.2 The Committee will review its Charter at least once every two (2) years and make recommendations to the Board as to any changes it considers should be made.

8.3 The Charter may be amended by resolution of the Board provided that any changes that would be inconsistent with the Company's Constitution will require approval of the Company in general meetings to approve changes to the Company's Constitution.

8.4 The Committee will undertake periodic self-assessments of performance.

8.5 The Board will review the Committee's performance at least once every two (2) years.

9. Remuneration

9.1 Committee Members are entitled to reasonable expenses (including travelling and accommodation) incurred in carrying out duties as a Committee Member, in line with auDA's policies.

9.2 Each Committee Member is remunerated as part of their Remuneration as a director, with the exception of the Chair of the Committee, who is entitled to an additional annual fee (inclusive of superannuation) as determined by Board.

10. Version Control

Next Review: February 2027

Version	Change	Approval	Date
1	Original	Board	18 October 2019
2	Update	Board	April 2020
3	New branding and streamlining	Board	30 March 2021
4	New committee structure	Board	12 April 2023
5	Incorporating Audit functions	Board	5 February 2025
6.	Added Enterprise Risk Management	Board	9 April 2026