

DRAFT Terms of Reference

Finance and Audit Committee

Terms of Reference

The Finance and Audit Committee is established as a committee of the RAAus Ltd Board. This document shall be read in conjunction with the Board Charter. The establishment of this committee does not relieve the Directors of any of their duties in the areas of finance and audit compliance.

COMMITTEE'S GENERAL PURPOSE AND OBJECTIVE

1. Assisting with presentation of annual financial statements of the company prior to their approval by the Board
2. Liaising with auditors on all matters concerning the conduct and outcome of annual audits of the company
3. Contributing to the adequacy of accounting, internal auditing, reporting and other financial and operational management systems and practices of the company,
4. Ensuring compliance with the Rules, the Act and other applicable Laws, and
5. Assisting the Board with oversight of the financial management of RAAus and monitoring quarterly performance against budget and financial performance metrics that have been determined by the Board.

DUTIES & SCOPE

The Committee's responsibilities are to:

6. recommend the appointment of internal and external auditors;
7. provide a link between the external auditors, the Board and management of the company;
8. assist the Board in relation to the reporting of financial information including performance against metrics agreed by the Board;
9. contributing to preparation of the annual budget as necessary to assist the CE and staff, and
10. oversee any other financial review matters delegated to the Committee by the Board from time to time.
11. Oversee the company's taxation arrangements and processes;
12. Oversee any other financial review matters delegated to the Committee by the Board from time to time, which may include proposals for significant capital expenditure and investments;
13. Ensure that debt facilities are effectively managed and complied with;
14. Ensure appropriate oversight of the management of investments, and;
15. Liaise and provide advice to the Board's Risk, Governance and Performance Committee regarding management of financial risk and performance against metrics.

COMPOSITION

16. The committee is comprised of:
 - Board members (as nominated by the Board)
 - Chief Executive (Ex Officio)

- Manager Financial Services (Ex Officio)
 - External member if considered necessary by the Board.
17. The Board may appoint an individual who is not a director to be a member of a Committee where it considers such an appointment to be appropriate to enhance the relevant skills and experience on the Committee.
18. The Board may appoint additional members to the Committee or remove and replace members of the Committee by resolution. Members may withdraw from membership by written notification to the Board.
19. Non-committee members, including members of management and the external auditor may attend meetings of the Committee at the invitation of the Committee chair.
20. It is intended that all members of the Committee should be financially literate and have familiarity with financial management and at least one member should have relevant qualifications and experience (ie be a qualified accountant or other finance professional with experience of financial and accounting matters).

FREQUENCY OF MEETINGS

21. The Committee shall meet a minimum of 4 times per year. All meetings will be formally minuted and records of actions arising kept. The Committee will be supported by the Chief Executive or his/her delegate.

QUORUM

22. A quorum for meetings will be at least three members, one of whom is a Board member, not including Management. The Chair will have the casting vote if required.

MINUTES

23. The Chair will ensure that minutes of the Committee's and any recommendations are recorded. Agenda and Papers will be distributed five working days prior to the meeting where possible.
24. Minutes will be circulated to all members of the Committee and to the Board. Minutes will be circulated to committee members prior to the next meeting of the Committee.

REVIEW

25. The Board will, in line with the TOR, review the membership and Charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.
26. Review should take place every 24 months

DOCUMENT CONTROL

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