

### 1. Purpose

The Finance and Risk Committee (FRC) assists the Board to discharge its responsibilities. These responsibilities relate to overseeing the financial reporting processes; risk management and internal controls; oversight of HRTF investment portfolio, external audit, including compliance with Australian Accounting Standards.

### 2. Authority

Within its scope of responsibilities, the Board authorises the FRC to:

- Oversee the work of the external auditor;
- Approve the terms of the external audit engagement, including fee;
- Require the attendance of guests at meetings as appropriate;
- Have unrestricted access to employees and relevant company information;
- Meet at any time without officers; and
- Engage relevant, independent external advisers as it considers necessary to carry out its duties.

### 3. Composition

The committee will consist of;

- A minimum of three non-executive directors of HRTL who are independent;
- A representative from TARL; and
- Other non-Board members as the Board determines from time to time.

The Chairperson of the committee will be an independent director from HRTL, other than the Board chairperson.

The Board will appoint Committee members, including Committee Chairperson, for term of two years each.

The Committee will comprise directors with relevant skills and knowledge and each member will demonstrate financial literacy with at the minimum one member having accounting and related financial expertise and another member risk expertise.

### 4. Meetings

The Committee will meet at least each quarter, with further meetings convened where necessary.

Meetings may be conducted by teleconference, phone or email as necessary to meet the goals of the Committee.

A quorum shall comprise of two HRTL directors

In the absence of the Committee Chairperson, or appointed delegate, the remaining Committee shall elect one of their members to chair the meeting.

Where a vote of the Committee is tied, the Committee Chairperson will have the casting vote, in addition to the vote as a committee member.

An agenda for meetings will be provided with the meeting pack at least two days prior to the meeting.

The Committee is authorised to obtain independent professional advice as necessary.

The Committee Chairperson, or other delegate, shall report to the Board following each meeting.

The appointed minute taker shall retain minutes of proceedings and resolutions of Committee meetings and ensure they are included in the subsequent Board meeting papers.

The Committee will undertake an annual review of its Charter and recommend any changes to the Board.

## **5. Responsibilities**

The Committee will review and provide advice to the Board regarding;

- Whether the organisation's financial statements reflect the Committee understanding of; and otherwise true and fair view of, its financial position and performance;
- Any matters that may significantly affect the financial affairs of HRTL, including the review of the monthly financial management report;
- The robustness of the organisation's reporting processing;
- The appointment or removal of the external auditor;
- The scope and adequacy of the external audit;
- The independence and performance of the external auditor;
- The adequacy of the organisation's processes for managing risk;
- The adequacy of the organisation's investment processes and management of the investment portfolio, including recommendations to the Board on prudent investment opportunities;
- The adequacy of the organisation's processes for managing compliance with relevant legal and regulatory obligations;
- The adequacy of the organisation's processes of internal controls, policies and procedures; and
- The organisation's insurance program and the insurable risks with its business.

**Approved by the HRTL Board**