

Finance, Audit and Risk Committee Charter

Contents

1. Introduction and Purpose	3
2. Composition	3
2.1 Membership.....	3
2.2 Expertise.....	4
2.3 Training and education	4
2.4 Chair	4
2.5 Secretary	4
3. Authority.....	4
3.1 Executive team and external parties	4
3.2 Special investigations.....	5
4. Meetings.....	5
4.1 Frequency	5
4.2 Quorum.....	5
4.3 Committee papers.....	5
4.4 Minutes	5
5. Responsibilities.....	5
5.1 Financial statements and reporting.....	5
5.2 Risk management	6
5.3 Internal controls.....	6
5.4 Compliance.....	7
5.5 External audit.....	7
6. Other.....	7

1. Introduction and Purpose

Caulfield Racecourse Reserve Trust is governed under the Caulfield Racecourse Reserve Act 2017, the Corporations Act 2001 and other applicable Victorian State Legislation as outlined in the Caulfield Racecourse Reserve Trust Governance Framework.

The Finance, Audit and Risk Committee is a committee of the Trust with the powers, obligations and responsibilities as set out in this Charter.

The purpose of this Committee is to assist the Trust to discharge its duties in the areas of:

- Financial statements and reporting
- Risk Management
- Internal controls
- Compliance
- Internal audit
- External audit

The Committee will also assist the Trust with its good governance practices through helping to ensure compliance with relevant laws and regulations.

The Committee shall exercise its powers in accordance with this Charter and any directions by the Trust.

2. Composition

2.1 Membership

The Committee shall be appointed by the Trust and will comprise of up to three members, consisting of:

- A Subcommittee Chair appointed by the Trust
- Two Trustees.

The Chair of the Trust will be entitled to attend meetings of the Committee but will not be a member of the Committee.

Members of the Committee must be able to read, understand and interpret financial statements.

Membership will be for a term of two years or as otherwise determined by the Trust.

The General Manager and Company Secretary will be required to attend each meeting if requested by the Chair.

2.2 Expertise

The Committee must comprise:

- At least one member with financial expertise and who has current, formal accounting or audit qualifications
- Members who are financially literate
- A majority of the members with an understanding of the legislation and regulation in which the business operates or relevant commercial background and experience considered appropriate by the Trust.

2.3 Training and education

The Committee must ensure it retains a current knowledge and understanding of all matters relevant to its function and responsibilities.

Committee members may attend courses and seminars relevant to the discharge of their duties on the Committee and subject to prior approval by the Committee Chair and the Chair of the Trust.

2.4 Chair

The Chair:

- Will be appointed by the Trust for a term of two years or as otherwise determined by the Trust
- Will have substantial financial and risk management experience

2.5 Secretary

The Secretary of the Committee shall be the Company Secretary, or as otherwise determined by the Committee.

3. Authority

3.1 Executive team and external parties

The Committee may invite the following to attend Committee meetings:

- The external auditor
- Other Trustees, executives or employees of the Trust
- Any other person

The Committee shall have access to all Trust records, reports and other documents including those provided by external advisors and third parties.

3.2 Special investigations

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

3.3 Independent advice

The Committee may obtain independent expert advice to assist in the discharge of its duties and obligations with such costs to be borne by the Trust.

4. Meetings

4.1 Frequency

- The Committee shall meet at least four times a year or as determined by the Chair
- A Committee member or the Trust may request that a meeting be held as required
- The external auditor may request a meeting be convened.

4.2 Quorum

- A quorum shall comprise at least two members either attending in person or by using any technology acceptable to the Committee
- If the Chair is not present the attending members shall elect a Chair for that meeting each Committee member shall have one vote. Decision making will be by consensus – where consensus is not achieved, the decision to be made will be reverted to the Full Trust for consideration and decision.

4.3 Committee papers

- The Company Secretary shall distribute the Agenda and relevant papers ahead of any Committee meetings to each member and other persons as approved by the Committee Chair
- Members and those attending must, prior to any meeting and distribution of papers, notify the Secretary of any real or perceived conflict of interest. Unless otherwise determined by the Committee that person will not receive papers in relation to the matter so notified.

4.4 Minutes

- The Company Secretary shall prepare minutes of meetings which shall be approved by the Chair and circulated to members as soon as practicable.
- The minutes shall be confirmed at the next meeting
- Minutes shall be made available to the Trust and the Chair may report to the Trust on matters relevant to the Committee's role and responsibility.

5. Responsibilities

5.1 Financial statements and reporting

- Review and recommend the annual operating and capital expenditure budgets and strategic financial plans to the Trust for approval, including any amendments thereto
- Satisfy itself that adequate internal controls exist and that financial statements are supported by relevant management sign-off
- Review procedures to ensure that all financial reports (including regular management reporting) are accurate and timely
- Review procedures to ensure that any published financial information is consistent with the signed financial accounts
- Review the annual financial statements and provide advice to the General Manager including advice in relation to:
 - internal/external audit recommendations
 - complex or unusual transactions
 - judgmental areas.
- Recommend to the Trust whether the annual financial statements should be approved.

5.2 Risk management

- Ensure management has established and operates an adequate enterprise-wide risk management framework including procedures for effective identification and management of business and financial risk
- Determine the adequacy and effectiveness of controls and procedures around major risks including those associated with projects and key activities
- Assess the impact of the risk management framework on the company's control framework and insurance arrangements
- Annually review all insurance policies for adequacy of cover
- Assess the adequacy of business continuity and disaster recovery plans and check they have been periodically updated and tested
- Determine the adequacy of fraud prevention controls and the ability to detect, capture, respond to and investigate fraud-related issues.

5.3 Internal controls

- Assess the adequacy and effectiveness of management's internal control framework
- Review the existence and adequacy of relevant policies, procedures and delegations and that these are reviewed and updated on an ongoing basis
- Ensure processes are in place to assess whether policies and procedures are being complied with

- Review how changes to internal control procedures are identified and implemented
- Assess the extent to which management has established a culture which promotes adherence to internal controls and procedures and ethical and lawful behaviors.

5.4 Compliance

- Assess whether adequate controls and systems exist to ensure compliance with all relevant laws, regulations and industry standards
- Assess whether management has included legal and compliance risk as part of its enterprise-wide risk management plan
- Ensure compliance with all accounting and associated financial reporting requirements
- Review and provide advice to the General Manager regarding the annual Compliance Report (or similar).

5.5 External audit

- Monitor the scope, performance and activities of the external auditor and provide feedback to the Trust
- Act as a conduit between the Trust, the executive and the external auditor
- Provide advice to the General Manager in relation to serious matters identified by the auditor and report to the Trust on any matters so raised and any actions taken in response to any audit recommendations
- Retain the option to meet privately with the external auditor at least annually to discuss any matters the Committee or auditor required discussion.

6. Other

The Committee shall:

- Review this Charter at least every two years making appropriate recommendations to the Trust
- Evaluate the Committee's performance and effectiveness annually and implement improvements and changes where appropriate.