Finance and Audit Committee Charter

1 Purpose

The Finance and Audit Committee (Committee) is a committee of BA Limited (Company), established to assist the Board in the effective discharge of its responsibilities for financial reporting, budgeting, financial sustainability, internal control structures, and internal and external audit functions.

The Board has established and delegated power to the Committee pursuant to the Company's constitution relative to the roles and responsibilities in Section 5 below.

In carrying out its roles and responsibilities, the Committee may utilise any of the Company's management and other resources it considers appropriate subject to applicable legal and confidentiality requirements.

This Charter is subject to, and will be interpreted in accordance with, the Company's constitution.

2 Membership

The Committee shall comprise at least three members appointed by the Board including:

- an independent Chair;
- at least one director of the Company; and
- at least one independent member external to the Board.

Membership of the Committee should align with the requirements of the National Gender Equity in Sports Governance Policy.

The Company CEO and CFO (or equivalent) shall attend meetings of the Committee by standing invitation but are not members of the Committee and do not have voting rights.

Membership should collectively provide an appropriate balance of financial literacy, audit and commercial experience. At least one of the members must be a Certified Public Accountant (CPA) or Chartered Accountant (CA).

The Chair of the Board may serve as a member of the Committee provided they meet the other criteria for membership.

The Committee may invite key staff, independent experts, and members of the Company's management team to meetings where agenda items may be relevant to an invitees' responsibilities or where it is determined the invitee may contribute to the Committee achieving its objectives. Invitees may take part in the business of and discussions at the meeting but have no voting rights.

The Chair, members, and term of appointment of each member shall be determined by the Board and recorded in the minutes of relevant Board meetings.

The Committee members may appoint one further person to be secretary of the committee (non-voting rights); or one member of the Committee may be the secretary.

The Board and the CAMs should consider the best approach to stagger appointments to ensure Committee continuity and consistent rotation of members over time.

3 Term of Office

The term of office for the independent members of the Committee will be a period of three years and may be extended for up to a maximum of three three-year terms.

4 Meetings

The Committee shall meet as frequently as required but not less than four (4) meetings a year. The exact number of meetings may depend on the extent of half yearly reporting and/or any specific matters that arise throughout the financial year. Committee meetings shall be held at times most practical to provide timely and accurate advice and information to the Board.

The Committee will maintain an annual forward workplan that aligns meeting agendas to the Committee's responsibilities, the financial reporting cycle, budget cycle, and external audit timetable.

The Committee Chair may call a meeting at any time but must give adequate notice to the Committee members.

The Committee Chair must call a meeting if requested by the Board Chair, the Board, the CEO, the CFO, the external auditor or at least two Committee members.

A quorum shall consist of at least two of the members one of whom must be a director of the Company. The quorum must be maintained for the duration of the meeting.

Committee meetings may be held by any form of electronic means.

If a quorum is not achieved for a meeting, any decisions made at that meeting must be ratified before they take effect by the:

(a) Committee Chair; or

(b) next Committee meeting with a quorum; or

(c) Board.

The Committee shall meet with the external auditors without Company management present whenever it is considered appropriate by the Committee Chair or should the external auditor request to do so.

If the Chair is not present, one of the other Board appointed Directors will act as Chair for that meeting.

Decisions will be made by consensus (i.e., members are satisfied with the decision even though it may not be their first choice). If not possible, a vote of members will be taken with the Chair having a deciding vote.

Proceedings, action items, conflicts of interest, decisions and recommendations of all Committee meetings are to be minuted. Draft meeting minutes once approved by the Chair, shall be distributed to all Committee members.

5 Role and Responsibilities

The Committee will review, advise and make recommendations to the Board on the matters below.

Financial reporting, budget and financial performance

- Review the annual financial statements, significant accounting policies, estimates, judgements, disclosures and accounting standard changes before Board approval.
- Review the external auditor's findings, management letter, proposed adjustments, significant deficiencies and management responses.
- Review financial reports, annual budget assumptions, forecast updates, cash flow, liquidity, reserves, financial sustainability and relevant financial KPIs.

- Review material financial commitments, business cases outside approved budget, capital expenditure proposals and key financial projects as referred by the Board.
- Review written CEO and CFO attestations or equivalent management representations in relation to financial reporting and internal controls.

External audit and assurance

- Recommend to the Board the appointment, reappointment, remuneration, terms of engagement and, where required, removal of the external auditor.
- Review the external audit plan, scope, timetable, materiality, independence, non-audit services and audit partner rotation.
- Meet privately with the external auditor at least annually without management present.
- Monitor management's implementation of external audit recommendations.

Internal controls and insurance

- Review the adequacy of internal controls, delegations, procurement controls, financial policies, investment controls, reserves policies and fraud prevention controls.
- Review the adequacy of insurance arrangements,

Compliance

- Review the Company's approach to compliance with the Corporations Act, Australian accounting standards, taxation obligations, ACNC or other regulatory obligations including:
    - Audit of Annual Financial Statements
    - Lodging Financial Statements with ASIC
    - Funding acquittals
- Review related-party transactions, conflicts of interest and register disclosures, and pre-approve related-party transactions as required by policy or law.
- Review fraud, corruption, whistleblower, ethical conduct and significant non-compliance matters, related to the Committee's remit
- Ensure processes exist for the Committee Chair and Board Chair to be informed promptly of significant financial, audit, control, compliance or other reputational matters within the Committee's remit.

The Committee will also oversee key financial projects as determined by the Board.

The Committee will be supported in its function by Company management, acting either individually or through management committees. Where appropriate, a member of the Committee may either sit on or attend meetings of any such supporting management committee.

6 Board Reporting and Review

The Chair of the Committee will report to the Board following each Committee meeting.

The Committee Chair's report should identify matters for noting, decision or escalation, including significant audit findings, financial reporting issues, internal control weaknesses, compliance issues, conflicts, related-party matters and management actions.

In addition, the Committee will refer to the Board any identified financial risk or potential financial risk which may impact on the Company's compliance with:

- the Corporations Act; or
- Australian accounting standards.

The Committee's Charter shall be reviewed at a minimum, every four years by the Board in consultation with the Chair of the Committee and updated as required.

The Committee's performance will be reviewed periodically as determined by the Chair, but no less than every two years.

7 Authority

In carrying out its duties the Committee has authority to discuss directly with management (via the CEO or other members of the Executive Team), internal auditors or the external auditors any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of the Company.

The Committee is authorised by the Board to obtain outside legal or other professional advice at the Company's cost if it considers this necessary.

The Committee is authorised by the Board to sign the Auditor's engagement letter.

Amendments to this charter can only be made with the approval of the Board.

8 Conflicts of Interest

Where an actual, potential, or perceived conflict of interest arises from a member(s) discharging Committee duties, declaration of the conflict must be made immediately to the Chair, reviewed at each Committee meeting and minuted.

The Chair, in consultation with the remainder of the Committee members shall determine the appropriate course of action to resolve or minimise the impact of the conflict.

If the Committee Chair has an actual, potential or perceived conflict, the declaration must be made to the Board Chair and another independent member will manage the matter for the Committee.

Conflicted members must not receive relevant papers, participate in discussions, be present for decisions, or vote on the matter unless the Committee determines and records that an alternative management approach is appropriate.

Document title	Basketball Australia Finance and Audit Committee Charter
Contact details	Director Finance and Corporate Services
Approved by	BA Board
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Document review	Every four years

Version	Date	Author	Changes made
1.0	20 January 2011		Original Charter
1.1	13 February 2014		
1.2	5 June 2017		Members and key projects specified
1.3	25 June 2020		Change to members and key projects
2.0	5 August 2022		Changed to Finance and Audit Committee, removal of key projects and specified members, addition of Conflict of Interest
3.0	January 2025	Governance Support	Addition of Terms for members and Board Reporting and Review, change to membership
4.0	7 August	FAC Chair	General review. Addition of gender equity requirements