

Terms of Reference

Governance & Risk Committee

1. Introduction

The Board of Water Polo WA Inc (“WPWAI”) has established a Governance and Risk committee to assist it with the management of WPWAI’s internal governance and risk management. This is the Terms of Reference of the Governance and Risk Committee.

2. Purpose

The Board of WPWAI (“the Board”) is responsible for reviewing, ratifying and monitoring systems of risk management and internal control, WPWAI’s legal compliance, WPWAI’s governing documents and Board development. The Governance and Risk Committee (“the committee”) is established to assist the Board in discharging these responsibilities. The Committee’s role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil the above-mentioned responsibilities. The Committee’s role includes assisting the Board in WPWAI’s governance and exercising due care, diligence and skill in relation to:

- 2.1. WPWAI’s risk management system;
- 2.2. internal policies and procedures;
- 2.3. protection of WPWAI’s assets; and
- 2.4. compliance with, and review of, applicable laws, regulations, standards and best practice guidelines.

3. Authority

The Committee is empowered by the Board to perform the activities and pass resolutions relating to all its responsibilities set out in Section 6 of this Terms of Reference. In addition, the Committee is authorised to:

- 3.1 investigate any activity it deems appropriate, consistent with its responsibilities and duties and will provide recommendations to the Board based on the outcome of its investigations.
- 3.2 seek explanations and additional information from management and any officer or employee of WPWAI, all of whom must co-operate with any request made by the Committee.
- 3.3 carry out any activities, determinations, decisions or resolutions delegated by the Board to Committee.
- 3.4 engage any firm of accountants, lawyers or other professionals as the Committee see fit to provide independent advice and to assist in any review or investigation on such matters as the Committee deems appropriate, and all associated costs will be borne by WPWAI. The Committee will seek to utilise preferred suppliers/contractors of WPWAI initially, where appropriate. Any associated expenditure will at all times be in line with the Board’s invested authorities and those of the Committee. The CEO of WPWAI reports independently to the Committee. The Committee will have access to all books, records, facilities and personnel of WPWAI for the Committee to discharge its responsibilities.

4. Membership

The Board will appoint the members of the Committee and the Chair of the Committee (“Chair”). The Committee will be comprised of at least two members of the Board and the CEO. The Chairman may be a member of the Committee, but must not be the Chair. At least one member of the Committee must be a professional with significant relevant experience in corporate governance and legal compliance. The Committee will appoint the CEO as secretary of the

Committee (“Secretary”). Members will be appointed for a two-year term and can be re-appointed. Any members of the senior management team as requested by the Chair, are entitled to attend Committee meetings. The Chair may invite other members of management or external parties (as appropriate) to attend all or part of any Committee meeting. The Board may, in its discretion, remove members of the Committee from time to time.

5. Meetings

5.1 Quorum & Voting

A quorum of any Committee meeting will be three members of whom at least one must be a member of the Board. A duly convened meeting of the Committee at which a quorum is present shall be sufficient to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. In the absence of the Chair the remaining members of the Committee will elect one of their number as Chair of the meeting (subject to a quorum otherwise being present). Each member will have one vote and the Chair will not have the casting vote. Meetings may be held, and resolutions passed by means of a conference call or similar communications equipment, or any other technology or process by means of which Board meetings may be held and resolutions passed under the provisions of the WPWAI constitution and the Associations Incorporation Act 1987.

5.2 Frequency

The Committee will meet a minimum of 2 (two) times per year and more frequently if required, as determined by the Chair.

5.3 Calling Meetings

The Chair is required to call a meeting of the Committee upon request by either a Committee member, the CEO or the President of the Board. The Chair may otherwise call a meeting in his or her discretion. The Committee or the Chair may invite non-Committee members to attend its meetings as deemed necessary from time to time. The agenda (approved by the Chair) and supporting documentation should be delivered to the Committee members, where possible by the last day of the week preceding the meeting.

5.4 Conflicts of Interest

Committee members must disclose any conflicts of interest at the commencement of each meeting and the disclosure may be a standing one. Where a Committee member or invitee is deemed to have a real or perceived conflict of interest, they must absent themselves from the Committee’s discussions and voting on the issue. Conflicts of Interest of the WPWAI Board Charter applies to Committee members in the same manner as it does to the Board.

5.5 Reporting

The Committee will:

- 5.5.1 regularly report to the Board, via the Secretary, on all matters relevant to the Committee's responsibilities; and
- 5.5.2 make appropriate recommendations to the Board for the approval of, or action by, the Board.

6. Responsibilities

The Committee in meeting its primary objectives should, without limiting the extent of its responsibilities, carry out the tasks and consider the various matters set out below.

6.1 Board Governance

- 6.1.1 Review priorities for Board composition and make recommendations on any improvements.
- 6.1.2 Develop and recommend to the Board a recruitment, selection, appointment and induction process for Directors that complies with the Constitution and Board Charter.
- 6.1.3 Where requested by the Board, meet with prospective Directors, recommend candidates to the Board and conduct induction sessions for new Directors.
- 6.1.4 Identify training and skills requirements for Directors.
- 6.1.5 Identify and recommend training and development opportunities or activities for Directors.
- 6.1.6 Monitor, identify and make recommendations on issues relating to Directors' independence.
- 6.1.7 Monitor developments in corporate governance and make recommendations on any necessary or desirable changes to governance practices.
- 6.1.8 Review processes for regular Board evaluation and make recommendations on any improvements.
- 6.1.9 Undertake regular reviews of governance best practice in relation to the Constitution and structure to ensure WPWAI stays in line with best governance practices for its industry.

6.2 Managing Conflicts of Interest

- 6.2.1 Monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.
- 6.2.2 At the request of the Board, advise on conflicts of interest that may arise within WPWAI, including conflicts arising between Board members, employees, the CEO, members, volunteers or other stakeholders.
- 6.2.3 Review and monitor the propriety of any related party transactions.

6.3 Governing Documents

- 6.3.1 Assess the effectiveness of, and compliance with WPWAI's governing documents including the Constitution, Board Charter and, Board Code of Conduct
- 6.3.2 Review and make recommendations to the Board on any improvements in the Governing Documents.

6.4 Policies and Procedures

- 6.4.1 Develop and implement a schedule and process for the ongoing review of WPWAI's policies and procedures.
- 6.4.2 Monitor, review the effectiveness of and where necessary recommend improvements to WPWAI's policies and procedures, in particular those for:

- (a) detecting, reporting and preventing fraud and other serious breaches of business conduct;
- (b) ensuring compliance with all relevant regulatory and legal requirements and best practice guidelines;
- (c) identifying and managing health, safety and environmental and community risks; and
- (d) compliance with applicable health, safety, environment and community legal and regulatory requirements.

6.4.3 Assess compliance with WPWAI's policies and procedures in consultation with management.

6.5 Compliance

6.5.1 Obtain regular updates from management regarding compliance matters.

6.6 Ethics

6.6.1 Consider the potential and actual ethical impacts of WPWAI's policies and procedures.

6.7 Risk Management

6.7.1 Undertake the following, with the assistance of management:

- (a) identify and document material governance, operational and business risks or exposures faced by WPWAI;
- (b) prioritise and rank the risks based on an agreed definition of "materiality";
- (c) identify the control measures in place to address any risks identified;
- (d) develop and implement treatment plans to address control gaps;
- (e) report to the Board as to the effectiveness of WPWAI's management of its internal risks and recommend improvements.

6.7.2 Regularly review, determine and update WPWAI's risk profile (whether periodically or on a rolling basis):

- (a) describing the material risks, including both financial and nonfinancial matters facing WPWAI;
- (b) identifying any material changes to those risks which may impact on WPWAI's business, and actions taken by WPWAI to mitigate those risks; and
- (c) ensuring that significant or material risks are reported to the Board.

6.7.3 Monitor, regularly review the effectiveness of and where necessary recommend improvements to WPWAI's system for identifying, assessing, minimizing, treating and managing material risks throughout WPWAI, particularly:

- (a) compliance with laws, regulations, standards and best practice guidelines;
- (b) litigation and claims;
- (c) fraud and theft;
- (d) relevant business risks other than those dealt with by other specific Board committees.

6.7.4 Assist the Board to:

- (a) clarify the role of management in relation to risk management; and
- (b) review management's reporting on WPWAI's management of material risks.

6.7.5 Monitor, review the effectiveness of and where necessary recommend improvements to WPWAI's arrangements for the protection of its ownership of intellectual property and other intangible assets.

6.8 General

6.8.1 Undertake any matters referred to the Committee by the Board.

7 Reviews

7.1 Review of Performance

To determine whether it is functioning effectively, the Committee will evaluate its own performance on an annual basis. This will include an assessment of the extent to which the Committee has discharged its responsibilities as set out in this Terms of Reference. The results of this review will be reported to the Board.

7.2 Review of Terms of Reference

The Committee will review its Terms of Reference every two years, or otherwise as it considers necessary. The Committee shall discuss any required changes with the Board and ensure that the Terms of Reference is approved by a resolution of the Board.