

November 2025

# Governance and Risk Committee Terms of Reference

## 1. Reporting Structure

The Governance & Risk Committee ('Committee') is responsible to the Board.

## 2. Objectives

The Committee is established to assist the Board to meet its legal responsibilities to exercise due care, diligence and skill in relation to the company's internal controls, protection of assets, risk management, business practices, compliance, and organisational culture. This Committee oversees the implementation of recommendations from the ABSTARR Truth Telling and Listening Process Report (2025). It will assist the Board in implementing the Board and Committee evaluation process and the process for evaluation of CEO performance. It will likewise help drive succession planning for the Board, Committees and CEO, and the appointment of Board directors and committee members.

## 3. Responsibilities

The Board of Directors is ultimately responsible for assessing, accepting and/or mitigating risks of the organisation, as well as compliance, organisational culture and Board and CEO succession and appointment.

This Committee oversees the implementation of recommendations from the ABSTARR Truth Telling and Listening Process Report (2025). These recommendations will be applied to each area of the Committee's functions and responsibilities, as outlined below :

### **Governance and Compliance**

- Ensure the organisation complies with relevant requirements and obligations imposed by external bodies (and extending to best practice where appropriate) including the ACNC Act and ACNC Governance Standards
- Oversee the corporate governance framework, and ensure it is underpinned by the creation and implementation of strong policy to address and

manage legislative compliance (e.g. OHS, Child Safety, Privacy etc); internal controls (e.g. risk, delegations, procurement); and culture (succession planning, performance reviews, adherence to policy)

- Review relevant governance policies before endorsing for Board approval

### **Risk and Control Environment**

- Review the company's structure, controls and activities to adequately assess the risks faced by the organisation
- Ensure the establishment of an effective internal risk and controls function, and monitor its scope and continued effectiveness

### **Organisational Culture**

- Monitor organisational culture to ensure that it adheres to FYA's values, policies and tolerances for non compliance.
- Review the results of staff surveys, and consider how these may inform any development or change.
- Consider other data relating to FYA employees, including trends relating to turnover, recruitment and performance

### **Board, Committee and CEO Evaluation and Succession**

- Maintain a profile of the composition and skills/experience of the Board and its committees.
- Conduct annual Board and Committee evaluation processes, including a Board and Committee Skills Matrix
- Identify and suggest to the Board appropriate ways of addressing any skill gaps at the Board, Committee or CEO level.
- Anticipate Board vacancies, and identify and propose suitable candidates for Board Director positions for approval by the Board.
- Consider succession planning for the CEO and Executive Team. (Note: the Committee is not responsible for the selection of the CEO.)
- Develop position descriptions and KPIs for Board and committee positions

### **Evaluation of Governance and Risk Committee**

- Evaluate their performance as a Committee each year. The performance of this Committee will be assessed according to the outcomes of Board and Committee evaluations. The internal performance measures appropriate for Committee members include:
  - Effectiveness of the Board, its Committees and the CEO based upon their evaluations
  - Ability to attract top talent to Board, Committee and senior management positions
  - Non tenure-related Board, Committee and senior management turnover.

## Reporting

- Report to the Board on the activities of the Committee, including:
  - matters which the Committee has considered
  - recommendations which the Committee makes
  - any expenditure the Committee has incurred, or is likely to incur, for advice or other matters

## 4. Committee Composition

As a Committee of the Board, membership of the Committee is appointed by the full Board and should comprise at least three members with relevant expertise. At least one member must be a Director, and at least one member should be a Young Director or Young Committee Member.

The Board will approve the Chair of the Committee and the Board Chair can attend all meetings.

All Board Directors may attend any Committee meetings as an observer, and are provided with access to Committee papers.

Management, staff and other guests may attend Committee meetings by invitation. Notwithstanding this, the Committee may also meet without Management.

In order to be effective the Committee should ensure that there is active and cooperative participation amongst all its stakeholders.

## 5. Tenure

Committee members will be appointed for a term of up to six years unless otherwise approved by the Board.

Committee membership is approved by the Board.

## 6. Organisational and Administrative Processes

### Meetings

It is expected that the Committee will meet at least three times per year.

Quorum will be established when at least two voting members are present.

Meetings will include:

- Annual review of the risk management framework

- Board and Executive Team succession planning (as required)
- Board, Committee and CEO performance evaluation (annual)
- Oversight of organisational culture (as required)
- Review of Terms of Reference for endorsement to the Board (every two years)
- Review relevant governance policies before endorsing for Board approval

Additional meetings may be scheduled during the year whenever deemed necessary by the members of the Committee. This may be triggered by:

- significant organisational and risk events
- resignation of CEO, Chair, Deputy Chair or Treasurer
- regulatory or legal non-compliance
- strategic or external environment changes

### **Expected commitment from Committee members**

Committee members are expected to attend all meetings unless there are extenuating circumstances.

Meetings will be held online via video. Each meeting will generally run for 90 minutes.

### **Resolutions**

Decisions will be by consensus.

### **Term of reference review**

This term of reference will be reviewed once every 2 years.

## **7. Supporting Documents**

This Terms of Reference document is to be read in conjunction with these key documents:

- Constitution
- Strategic Plan
- ABSTARR Truth Telling and Listening Process Report (2025)
- Transformation Plan
- Committee member / Board Director Position Description
- FYA Policies

## **8. Authorisation**

*Authorised by*

Board of Directors

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