



# Strategy Committee Charter

## 1. Purpose of Charter

This **Charter** sets out the role, functions, structures and processes of the Strategy Committee (**Committee**) of NPP Australia Limited (**Company**).

It is not the duty of the Committee to develop the Company's strategic plan. Responsibility for the Company's strategy vests in the full Board of the Company. Nothing in this charter affects or derogates from the Board's overarching responsibility for strategy development, or Management's responsibility for strategy implementation.

## 2. Committee Objectives

The primary objective of the Committee is to assist the Board in fulfilling its oversight responsibilities relating to the medium and long-term strategic direction and development of the Company.

The Strategy Committee meets its objective by:

- a. providing advice, challenge and expertise to Management so that strategic options may be explored fully before being tabled at Board meetings for deliberation and approval;
- b. advocating for the Company's strategic agenda with external stakeholders, including NPP Participants and Identified Institutions; and
- c. assisting Management and the Board with the formulation of organisational positions on external matters relevant to the Company's strategy.

It is not the duty of the Committee to implement the Company's strategic plan. Instead, such duties remain the responsibility of Management, in accordance with the established NPP governance processes and protocols, subject, however, to the general oversight responsibilities of the Board.

## 3. Responsibilities

Consistent with the objectives of this Charter, the Committee has the following responsibilities:

- a. Work with the Chief Executive Officer and the executive officers to oversee the development of the Company's strategy, and to provide guidance for the strategic planning process to ensure that the strategic implementation plan is developed, adhered to and imbedded in the organization.
- b. Review risks and opportunities of the strategy as identified by the Company's strategic risk assessment and other processes, and the impact of emerging or evolving competitive activity, governmental or legislative developments and global economic conditions.
- c. Monitor the Company's progress against strategic goals and provide feedback and advice on growth and development strategy, capabilities, and resource requirements.
- d. Assist the Board to mitigate strategy delivery risk.

## 4. Governance

### 4.1 General

- a. The Committee is comprised of at least six members appointed by the Board. The Chair will attend, and the Chief Executive Officer is entitled to attend the Committee as observers. The Chair of the Committee will be appointed by the Board from one of the appointed members.
- b. Committee meets at least four times a year and more frequently as required.
- c. The quorum for a meeting of the Committee is a simple majority of Committee members.
- d. Video or conference call participation by Committee members, or other attendees, requires the Chair's approval.
- e. Committee members are expected to disclose any conflicts of interests at the commencement of each meeting.

- f. The Committee will seek to make unanimous recommendations and decisions in the first instance. If unanimity cannot be reached, the Committee may vote on the matter. Each member has one vote. Support of a simple majority of members present is required for a decision to be made.
- g. The Committee may invite non-members to its meetings to provide advice from time to time and may also call on independent expertise as required.
- h. The Company Secretary or another designated person will undertake the duties of secretariat. Management will provide support to the Committee as required.
- i. In addition to the matters set out in this Charter, the provisions of the Constitution that apply to meetings and resolutions of directors, apply to meetings and resolutions of the Committee.
- j. The Committee shall take minutes of each meeting.

#### **4.2 Authority and Accountability**

- a. The Committee is established by the Board, under Article 9.6 of the Constitution.
- b. The Committee is accountable to the Board.

#### **4.3 Reporting**

- a. The Committee will report outcomes of each meeting to the next Board meeting and will exercise its functions in accordance with any directions of the Board.
- b. Each report of meeting will include any matters arising that may significantly impact on the Company's strategic objectives.

#### **4.4 Participation**

- a. Committee members are directors of the Company and are therefore bound to act in the best interests of the Company (and to comply with any other duties that may apply at law).
- b. If Committee members face any conflict of interest, those conflicts must be addressed in accordance with the Board Conflicts Management Protocol.

#### **4.5 Compliance with Competition Law Protocols**

- a. Committee members are bound to comply with the *NPPA Competition, Meeting and Communications Protocol* at all times and observe the requirements set out in the Appendix to this Charter.
- b. In accordance with the Protocol, Committee members must not:
  - Disclose commercially sensitive information of any third party or confidential information; or
  - Make inquiries or seek to elicit disclosure of commercially sensitive information from others.

### **5. Review of Charter**

The Committee will review this Charter annually so that it remains consistent with the Board's objectives and responsibilities.

The Board may amend this Charter in its own right or on the recommendation of the Committee.

Specifically, the amendments approved on 9 September 2020 will be reviewed after 18 months of their commencement, with a view to determining their ongoing requirement.

### **6. Glossary**

Words defined in the Constitution have, unless the contrary intention appears, the same meaning in this Charter.

## Change history

Date	Version	Reviewed by	Approved by	Change
22/03/2018	1.0	General Counsel, NPPA	Board	Draft Charter for Board review and approval.
01/09/2020	1.1	General Counsel, NPPA	PCC	Amendments to increase number of members and to clarify members' advocacy role
09/09/2020	2.0	General Counsel, NPPA	Board	Amendments to increase number of members and to clarify members' advocacy role
10/12/2020	2.0	NPPA	NPPA	Copied into Governance template.

## Annexure to Strategy Committee Charter: Meetings and communications Guidelines

### Discussion Guidelines

- 1 Subject to paragraph 2, Committee members can:
  - (a) Discuss matters relevant to the Objectives of the Committee as set out in section 2 of the Charter;
  - (b) discuss industry-wide issues relating to the provision of payment services, including any issues associated with overlap and duplication of services and/or infrastructure;
  - (c) discuss competing demands and/or competing mandates affecting the payments industry and the Company;
  - (d) discuss information they have available about plans and priorities for their respective organisations or third parties; and
  - (e) discuss the impact of different commercial strategies and business models applicable to domestic and international payment providers.
- 2 In undertaking any discussions as part of the Committee (or in compliance with the Committee's Objectives), including any discussion of the items listed in paragraph 1 above, Committee members must **not**:
  - (a) discuss matters that are not related to or necessary for the purposes of meeting the Committee's Objectives (as set out in section 2 of the Charter);
  - (b) disclose confidential information or commercially sensitive information about their own businesses or the businesses of third parties (including schemes or other payment providers);
  - (c) disclosure information relating to pricing, pricing strategies relating to their own businesses or the businesses of third parties;
  - (d) discuss matters that would restrict any third party from becoming a member of the Company, gaining access to the NPP as an NPP Participant, Connected Institution or Overlay Service Provider or gaining access to an Overlay Service; or
  - (e) make inquiries or seek to elicit disclosure of competitively sensitive information from others, including information in relation to pricing and pricing strategies.

### No agreement or cooperation

Nothing said or discussed at any Committee meeting will be construed as constituting an agreement (including any arrangement or understanding) or a form of cooperation or concerted practice between Committee members in respect of services provided by the Company's shareholders or any other third party.

### Example Dos and Don'ts for Committee meetings

- **Do** make sure that topics for discussion as part of a Committee meeting are within scope of the Committee's Objectives.
- **Do** keep discussions to the matters covered in the agenda.
- **Do** seek help from General Counsel if there are any matters that need discussion where the application of the guidelines in paragraphs 1 and 2 above may be unclear. If necessary, delay discussions until appropriate guidance is given.
- **Do** recuse yourself from meetings if you have a conflict of interest, and note such recusal and conflict in the meeting minutes.
- **Don't** engage in discussions that may be interpreted as an effort to coordinate what different schemes and payment providers may wish to do in the future. When questions of prioritisation arise, do focus on the Company's own priorities (as opposed to deciding priorities for others).
- **Don't** speculate on what other organisations might wish to do in the future on the basis of information that may have been shared on a confidential basis.

- **Don't** hold any separate side discussions relating to strategy with members of the Committee, unless disclosed at meetings of all members of the Committee.

**Example of Dos and Don'ts for engagement with third parties (advocacy role)**

- **Do** keep any advocacy role to those matters that the Company (including the Board) has formulated a clear policy for.
- **Do** agree on a uniform advocacy position and do not deviate from that position or strategy.
- **Do** explain the Company's point of view and rationale for decisions.
- **Do** share the Company's perspective on benefits and detriments of particular strategies (subject to ensuring that no confidential or commercially sensitive information is shared).
- **Don't** disclose or elicit discussion of confidential pricing information, particularly in relation to products and services that the Company may be developing where there may be other products or services in the market which fulfil a similar role.
- **Don't** share confidential or commercially sensitive information discussed at Board or Committee meetings with third parties. If not sure as to whether particular information can be shared, please ask the General Counsel for guidance.