

## Risk Committee Charter

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### 1. Constitution

A Risk Committee (Committee) has been established by resolution of the Board.

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### 2. Membership

The Board will strive to adhere to the following membership requirements for the Committee where at all possible. However the board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time:

- (a) The Board will appoint members of the Committee. From any of the Directors the Board may remove and replace members of the Committee by resolution.
  - (b) The Committee must comprise of at least three members.
  - (c) The Chairman of the Committee should not be the Chairman of the Board of Directors and should be independent.
  - (d) At least one member of the Committee will have an understanding of the industry in which the company operates.
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### 3. Company Secretary

- (a) The Company Secretary or their nominee shall be the Company Secretary of the Committee and shall attend meetings of the Committee as required.
  - (b) The Company Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
  - (c) The Company Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.
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### 4. Other attendees

The Managing Director as well as other members of senior management may be invited to be present for all or part of the meetings of the Committee, but will not be members of the Committee.

Representatives of the external auditor may attend meetings of the Committee as requested by the Chair of the Committee without any management staff or executives present.

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## 5. Quorum

A quorum will be two members.

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## 6. Meetings

- (a) Committee meetings will be held not less than two times a year so as to enable the Committee to undertake its role effectively.
  - (b) In addition, the Chair is required to call a meeting of the Committee if requested to do so by any member of the Committee, the Managing Director or the external auditor.
  - (c) Where deemed appropriate by the Chair of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
  - (d) Decisions will be based on a majority of votes with the Chair having a casting vote.
  - (e) The Committee Chair, through the Company Secretary, will report the actions of the Committee to the Board at the next Board meeting after each Committee meeting.
  - (f) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.
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## 7. Authority

The Committee is authorised by the Board to investigate any activity within its charter. The Committee will have access to management and auditors (external) with or without management present and has rights to seek explanations and additional information. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the Committee.

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## 8. Reporting procedures

The Committee will keep minutes of its meetings. As outlined above, the Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee for comment and change before being signed by the Chair of the Committee and circulated to the Board with the Board papers for the next Board meeting. The minutes are to be tabled at the Board meeting following the Committee meeting along with any recommendations of the Committee.

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## 9. Responsibilities of the Risk Committee

The Committee is responsible for:

- (a) Oversight of the Risk Management System.
- (b) Overseeing the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the company. This system will include the Company's internal compliance and control systems.

- (c) Assessing the internal processes and controls for determining and managing key risk areas, particularly:
  - (i) non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
  - (ii) litigation and claims; and
  - (iii) relevant business risks specifically relating to the Company's operations.
- (d) Monitoring management's performance against the Company's risk management framework including whether it is operating within the risk appetite set by the Board;
- (e) Ensuring the development and maintenance of a risk register that identifies the risks to the Company and its operation and assesses the likelihood of their occurrence.
- (f) Ensuring the risk register is periodically updated and presenting it to the Board for its consideration at least annually.
- (g) Ensuring that the Company has an effective risk management system and that major risks to the Company are reported to the Board as appropriate.
- (h) Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
- (i) Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
- (j) Reviewing any material incident involving fraud or a breakdown of the Company's risk controls and determining the lessons learned;
- (k) Making recommendations to the Board in relation to changes that should be made to the Company's risk management framework or the risk appetite set by the Board
- (l) Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
- (m) Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.
- (n) If appropriate meet periodically with key management, and external auditors to understand and discuss the Company's control environment.
- (o) Evaluating the adequacy and effectiveness of the Company's administrative, operating and accounting policies through active communication with operating management, internal auditors (should they exist) and the external auditors.
- (p) Evaluating the Company's exposure to fraud.

- (q) Taking an active interest in ethical considerations regarding the Company's policies and practices.
- (r) Monitoring the standard of corporate conduct in areas such as arms- length dealings and likely conflicts of interest.
- (s) Ensuring a safe working culture is sustained in the workforce.
- (t) Determining the Company's risk profile describing the material risks, including both financial and non-financial matters, facing the company.
- (u) Regularly reviewing and updating the risk profile.

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## **10. Reliance on information or professional or expert advice**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

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## **11. Access to advice**

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests. Such access shall be provided on a timely basis.
- (b) Members of the Committee may meet with the external auditors without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chair. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

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## **12. Review of Charter**

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner and that the Company is operating with due regard for the risk appetite set by the Board.
- (b) The Board will update the Charter as required or as a result of new laws or regulations.

- (c) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.
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### **13. Report to the Board**

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.