

# **RISK COMMITTEE CHARTER**

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## **1. COMPOSITION OF THE RISK COMMITTEE**

The Risk Committee shall comprise of at least three persons, the majority of whom are directors. At least one member will have an understanding of the industry in which the Company operates. Members of the Risk Committee shall be determined by the Board as it sees fit to appoint.

## **2. CHAIR**

The Risk Committee will appoint an independent Director to be the Chair of the Committee.

## **3. ROLE OF THE RISK COMMITTEE**

The role of the Risk Committee includes:

- 3.1. Assessing the internal processes 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 other than those that are dealt with by other specific Board Committees.
- 3.2. Developing and maintaining a risk register that identifies the risks to the Company and its operation and assesses the likelihood of their occurrence.
- 3.3. Updating the risk register periodically and presenting it to the Board for its consideration at once a year.
- 3.4. 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.
- 3.5. Ensuring that the Company has an effective risk management system and that major risks to the Company are reported at least twice a year to the Board.
- 3.6. Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
- 3.7. Evaluating the process the Company has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
- 3.8. 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.

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- 3.9. Meeting periodically with key management and relevant personnel to understand and discuss the Company's control environment.

### **4. OPERATIONS OF COMMITTEE**

The committee is to meet at least half yearly, with further meetings on an as required basis.

Minutes of all meetings of the committee are to be kept and a report made at each subsequent meeting of the Board.

Committee meetings will be governed by the same rules as set out in the Company's constitution as apply to the meetings of the Board.

Relevant members of management may be invited to attend meetings.

### **5. COMMITTEE'S AUTHORITY AND RESOURCES**

The Company is to provide the committee with sufficient resources to undertake its duties, including provision of educational information on risk management and topics relevant to the Company, and such other relevant materials requested by the committee.

The committee will have the power to conduct or authorise investigations into any matters within the committee's scope of responsibilities. The committee will have the authority, as it deems necessary or appropriate, to retain independent legal or other advisors.

### **6. REPORT TO THE BOARD**

- 6.1. 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.
- 6.2. The Committee must brief the Board promptly on all urgent and significant matters.