



Section D – Risk Management Committee Charter

D.1 Committee Members

- (a) The Board has established a Risk Management Committee. The guidelines for membership of the Risk Management Committee are as follows:
- (1) members may be executive or non-executive Directors, with a preference for a majority of non-executive Directors (where available);
 - (2) preference will be given to an Independent Chairperson, although a non-independent Director with appropriate qualifications may be chosen; and
 - (3) the Risk Management Committee will have not less than three members.
- (b) The initial members of the Risk Management Committee are:

Robert Johansen (Chairperson)
Ray Shaw
Jeremy Barlow
David Graham.

The Company Secretary and members of the Audit Committee may be invited to form part of the Risk Management Committee from time to time.

D.2 Purpose

- (a) The Risk Management Committee Charter (the **Charter**) sets out the role, responsibilities, composition, authority and membership requirements of the Risk Management Committee of the Company.
- (b) Key features of the Charter will be outlined in the Annual Report. The Charter is available to shareholders of the Company upon request.

D.3 Definition and Objectives of the Committee

- (a) The Risk Management Committee (**Committee**) is a Committee of the Board.
- (b) The Committee's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company by:
- (1) ensuring the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems;
 - (2) defining and periodically reviewing key business risks as they apply to the Company and clearly identify all stakeholders;
 - (3) ensuring the Committee clearly communicates the Company's risk management philosophy, policies and strategies to Directors, Management, employees, contractors and appropriate stakeholders;
 - (4) ensuring that Directors and Management establish a risk aware culture which reflects the Company's risk policies and philosophies;
 - (5) reviewing methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;



- (6) making informed decisions regarding business risk management, internal control systems, business policies and practices and disclosures; and
 - (7) considering capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities.
- (c) Membership of the Committee will be disclosed in the Annual Report.

D.4 Reporting

- (a) Proceedings of all meetings are minuted and signed by the Chairperson.
- (b) The Committee, through its Chairperson, is to report to the Board at the earliest possible Board meeting after each Committee meeting. Minutes of all Committee meetings are to be circulated to the Board. The report should include but is not limited to:
- (1) the minutes of the Committee and any formal resolutions;
 - (2) results of its review of risk management and internal compliance and control systems;
 - (3) any matters that in the opinion of the Committee should be brought to the attention of the Board and any recommendations requiring Board approval and/or action; and
 - (4) at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter.
- (c) In addition, the Chairperson of the Committee must submit an annual report to the Board (at the Board meeting at which the year end financial statements are approved) summarising the Committee's activities during the year. The report (and where appropriate, any interim report) must include:
- (1) a summary of the Committee's main authority, responsibilities and duties;
 - (2) biographical details of the Committee's members, including expertise, appointment, dates and terms of appointment;
 - (3) member and related party dealings with the Company;
 - (4) details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member;
 - (5) explanation of any departures from best practice Recommendations 4.1, 4.2, 4.3 or 4.4 of the *Corporate Governance Principles and Recommendations*;
 - (6) details of any change to the Independent status of each member during the relevant period, if applicable; and
 - (7) details of any determination by the Audit & Risk Management Committee regarding the external auditor's independence.

D.5 Risk Management Policies

The Committee will ensure that the necessary controls are in place for risk management policies to be maintained by:



- (a) devising a means of analysing the effectiveness of risk management and internal compliance and control system and of the effectiveness of their implementation; and
- (b) reviewing, at least annually, the effectiveness of the Company's implementation of the risk management system.

D.6 Attendance at Meetings

- (a) Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Board Director is entitled to attend that part of a meeting at which an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed.
- (b) Notwithstanding clause D.6(a), if in the opinion of the Committee, their investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee will give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.

D.7 Access

- (a) The Committee shall have unlimited access to the external and internal auditors, and to senior management of the Company and any subsidiary. The Committee shall also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees shall be instructed by the Board to co-operate fully in provision of such information.
- (b) The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

D.8 Application of Standing Rules

The Standing Rules for Committees apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms in this Charter.