

**RISK MANAGEMENT  
COMMITTEE  
TERM OF REFERENCE**



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## **RISK MANAGEMENT COMMITTEE ("the Committee")**

### **TERMS OF REFERENCE**

#### **1. PURPOSE**

1.1 The Risk Management Committee (the "**Committee**") is established to oversee and coordinate risk management activities to facilitate the identification, evaluation and management of all key business risks. The Committee will articulate the company's policy for the oversight and management of business risks, examine and determine the sufficiency of the company's internal processes for reporting on and managing key risk areas. The Committee is also constituted to assess and recommend to the Board acceptable levels of risks, and to develop and implement a risk management framework and internal control system. The Committee will also review the nature and level of insurance coverage; and instigate investigations into areas of corporate risks and breakdowns in internal control.

#### **2. COMPOSITION OF THE COMMITTEE**

2.1 The Committee shall comprise:

- i. Chief Executive Officer ("CEO") - Chair
- ii. Chief Operations Officer ("COO")
- iii. Chief Financial Officer ("CFO")
- iv. Chief People Officer ("CPO")
- v. Chief Legal and Compliance Officer ("CLCO")
- vi. Chief Business Development Officer ("CBDO")
- vii. Compliance Director ("CD")
- viii. Risk Director ("RD")

2.2 The attendees by invitation shall comprise:

- i. Representatives of the shareholder
- ii. Representatives of significant risks (owners)

2.3 The Committee Members shall report to the Chair and are appointed for such term as they hold their office.

2.4 The Committee shall meet, as required, which is expected to be quarterly. Additionally, the CEO may call for additional meetings when considered appropriate.

#### **3. CHAIR OF THE COMMITTEE**

3.1 The Chair of meetings of the Committee shall be the CEO. In the absence of the CEO, the Chair of the meeting shall be elected by the Members of the Committee.

#### **4. QUORUM**

4.1 The quorum for any meeting of the Committee shall be a majority of its Members.

4.2 The Members of the Committee may participate in a meeting of the Committee from separate locations by means of videoconference, telephone or other communication equipment which allows those participating to hear each other and shall be entitled to vote or be counted in the quorum accordingly.

#### **5. COMMITTEE PROCEDURES**

5.1 Except as otherwise stated in these Terms of Reference, the Committee shall determine its own procedures.

## **6. COMMITTEE RESOLUTIONS**

6.1 The Committee shall reach its decisions by a simple majority of its Members on the issue in question, with the CEO having a right of veto over the Committee's decisions. The CLCO shall be the CEO's alternate for veto purposes.

6.2 Only the Members of the Committee shall have the right to attend and vote at Committee meetings. However, the Members shall be entitled to invite such other employees, representatives, or professional advisors of the Company to the Committee meeting as the members deem appropriate.

## **7. DUTIES OF THE COMMITTEE**

The Committee shall be responsible for the following matters:

7.1 Ensure that the Company has implemented an effective ongoing process to identify risks, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to proactively manage these risks, and to decide the company's appetite or tolerance for risk.

7.2 Ensure that identified risks have appropriate controls in place and further risk mitigation action plans where required.

7.3 Ensure that each action plan for all identified risks is owned by a member of the Committee.

7.4 Monitor action plans and ensure that areas requiring corrective action are followed up.

7.5 Ensure that the company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

7.6 Assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.

7.7 Review and assess the quality, integrity and effectiveness of the risk management system and ensure that the risk policy and strategy are effectively managed.

7.8 Ensure that a systematic and documented assessment of the key risks is undertaken at least quarterly.

7.9 Oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the company's objectives are attained.

7.10 Review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting are always maintained at an optimal level.

7.11 Review of briefs provided periodically by the Risk Management Team in relation to the incidents, which fall within or are reported in accordance with the Major Incident Escalation Framework (work in progress).

7.12 Put in place effective procedures to ensure systematic review of control and accountability in the risk management process.

7.13 Review reports provided by the Compliance Team of actual or suspected money laundering and commissioning special investigations into matters of concern relating to internal controls.

7.14 Monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risks, including emerging and prospective impacts.

7.15 Ensure that the risk awareness culture is pervasive throughout the organisation.

7.16 Ensure that infrastructure, resources and systems are in place for risk management and that they are adequate to maintain a satisfactory level of risk management discipline.

7.17 Consider and recommend actions in respect of all cyber risk issues escalated by the Data Protection Officer (DPO), Technology function and the Compliance function.

7.18 Provide a focal point for the resolution and/or discussion of information governance issues.

7.19 Monitor reviews/audits relating to information governance and adherence/development to relevant standards.

7.20 Perform other activities related to risk management as requested by the Board and/or the Executive Committee or to address issues related to any significant subject within its term of reference.

7.21 Agree the top ten risk reports for notification to the annual Risk & Audit Committee and to the Board.

7.22 Review and agree on the full Corporate Risk Register.

## **8. NOTICE OF MEETINGS**

8.1 The Committee meeting agenda and papers should be circulated by the RD at least three working days prior to the Committee meetings.

## **9. DOCUMENTATION, COMMUNICATION AND REPORTING**

9.1 Minutes of the Committee shall be documented and maintained by a representative from the Risk & Compliance Department. The Minutes are to be kept and held by the RD and a copy is to be filed with the Company Secretary.

9.2 The Chair of the Committee shall notify the Executive Committee of the principal decisions reached by the Committee and/or circulate copies of minutes to the Executive Committee (where appropriate). The representative from the Risk & Compliance Department shall notify respective individuals of any decision(s) taken by the Committee that require their attention.

9.3 The Committee shall report to the Executive Committee.