



Dated: 13 February 2024

# Charter of the Risk Management Committee

**NRW Holdings Limited**

ACN 118 300 217

(Company)

## **CONTACT**

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# Charter of the Risk Management Committee

## 1. Introduction

- 1.1 This Charter governs the roles, responsibilities, composition and membership of the Risk Management Committee (Committee) of the Company.
- 1.2 The operation of the Committee is also governed, where applicable, by the constitution of the Company.

## 2. Objectives

The purpose of the Committee is to assist the Board in fulfilling its responsibilities relating to the risk management and compliance practices of the Company.

The Board:

- (1) Determines, in conjunction with Management, the nature and extent of risks that the organisation is willing to take to meet the organisation's strategic objectives.
- (2) Oversees the risk management process to ensure that Management's risk appetite strategies align with the Board's agreed risk appetite and tolerances.

The Committee facilitates the Board's role by:

- (1) Monitoring and reviewing the effectiveness of the risk management framework across the Group's operations and functions.
- (2) Providing oversight of the management of material Group-level risks and the associated management responses.
- (3) Reviewing Group-level risks and approve material provided to the Board.
- (4)

## 3. Composition

### 3.1 Members

The Committee must have a minimum of three members, all of which must be non-executive directors and the majority of which must be independent directors.

The members of the Committee will be appointed and removed by the Board.

### 3.2 **Expertise**

Each member of the Committee must be able to understand material risk principles, risk tolerance and risk control process.

The Committee must also include some members who understand the industry in which the Company operates.

### 3.3 **Chair and Secretary**

The Board will appoint a non-executive director to chair the Committee (Chair). The Chair must not be the chair of the Board.

The Company Secretary or a delegate will act as secretary of the committee (Secretary) unless determined otherwise by the Board.

## 4. **Meetings**

### 4.1 **Frequency**

The Committee will meet as frequently as required but must, at a minimum, meet three times per year.

The Secretary must call a meeting of the Committee if requested to do so by any member of the Committee.

### 4.2 **Agenda and notice**

The Secretary will be responsible, in conjunction with the Chair, for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to Committee members prior to each meeting. The Secretary must notify members of the Committee of the date, time and location of Committee meetings as far in advance as possible, but not less than 3 days before the meeting.

### 4.3 **Quorum**

A quorum for Committee meetings will be at least two members.

### 4.4 **Minutes**

The Secretary is responsible for taking minutes of each meeting and distributing them to Committee members as soon as practicable after the meeting.

### 4.5 **Attendance**

The Committee may invite any person to attend part or all of any meeting of the Committee as it considers appropriate. Voting at Committee meetings is restricted to Committee.

## **5. Responsibilities**

### **5.1 Risk oversight and management policies**

The Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies that set out the roles and respective accountabilities of the Board, the Committee, and management.

The policies should cover the areas of oversight, risk profile, risk management, compliance and control and assessment of effectiveness.

### **5.2 Risk management and risk profile**

The Committee is responsible for:

- 5.2.1 maintaining an up-to-date understanding of areas where the Company is, or may be, exposed to risk and compliance issues and seek to ensure that management is effectively managing those issues.
- 5.2.2 reviewing the adequacy and effectiveness of the Company's policies and procedures which relate to risk management and compliance.
- 5.2.3 making recommendations to the Board on the appropriate risk and risk management reporting requirements to the Board and this Committee.
- 5.2.4 providing advice to the Board on relevant corporate level performance indicators and targets for risk management and compliance activities.
- 5.2.5 undertaking an annual review of risk management policy and underlying strategies and procedures to ensure its continued application and relevance.
- 5.2.6 if considered necessary by the Committee, establishing a periodic and independent review of the implementation and effectiveness of the risk management policy to provide objective feedback to the Board as to its effectiveness.
- 5.2.7 receiving and considering reports on risk management and compliance programs and performance against policy and strategic targets.
- 5.2.8 reviewing the adequacy of the company's insurance coverage.

## **6. Reporting**

### **6.1 Reporting to the Board**

The Committee must report to the Board, at the first Board meeting subsequent to each Committee meeting, regarding the proceedings of each Committee meeting, the outcomes of the Committee's reviews and recommendations and any other relevant issues.

The minutes of the Committee meetings must be included in the papers for the next full Board meeting subsequent to each Committee meeting.

## **6.2 Annual Report**

The Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's Annual Report which relates to the Company's risk policies and practices and any matter with respect to risk management required to be included in the Annual Report.

The Committee must ensure that the following material is made publicly available on the Company's website in a clearly marked corporate governance section:

- 6.2.1.1 a copy of this Charter; and
- 6.2.1.2 a description of the Company's risk management policies and internal compliance and control system.

## **7. Review of the Charter**

This Charter shall be reviewed annually and revised by the Board as required by the Corporations Act 2001 and the ASX Listing Rules.