

# IPH Limited Risk Committee Charter

IPH Limited ACN 169 015 838



Approved by the Board 17 June 2021



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# 1. Introduction

## Objectives

The objective of the IPH Limited (**IPH**) Board's Risk Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to risk management for IPH and its related entities (collectively, the **Group**), including in relation to:

- a) risk appetite and risk management framework;
- b) risk policies, systems, processes and controls; and
- c) the effectiveness of the Group's risk management framework.

## Compliance

The Risk Committee is to undertake the function of the risk committee set out in Principle 7 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition).

# 2. Membership

## Structure

- a) The Risk Committee is appointed by the Board in accordance with Clause 6.15 of the Constitution.
- b) The Risk Committee is to consist of:
  - i. at least three members; and
  - ii. only Non-Executive and independent Directors,  
**(Risk Committee Members)**.
- c) The chair of the Risk Committee is to be appointed by the Board and is to be an independent non-executive director (but is not to be the Chairman of the Board) **(Risk Committee Chair)**.

## Term

- a) Risk Committee Members will be appointed for an initial term of up to three years with the appointment being subject to review annually or earlier if circumstances dictate.
- b) The appointment of a Risk Committee Member will cease if that person ceases to be a Director or as otherwise determined by the Board.

## Fees

Risk Committee Members are entitled to receive remuneration as determined from time to time by the Board.

# 3. Meetings

## Convening Meetings

The Risk Committee should meet at least three times a year. If required, additional meetings may be requested through the Risk Committee Chair, by any member, or by the Company Secretary.



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## Quorum

The quorum for a Risk Committee meeting is two Risk Committee Members.

## Attendance at meetings

- a) Directors who are not Risk Committee Members may attend meetings.
- b) Appropriate members of Management are to attend Risk Committee meetings, at the invitation of the Risk Committee Chair, to provide reports and periodic presentations to the Committee.
- c) The Company Secretary is to attend all Risk Committee meetings to ensure minutes are taken of the meeting.

## Conduct of meetings

The Risk Committee will use its meetings to:

- a) meet with Management to discuss any issues relating to the design, implementation or operation of the Risk Management Framework;
- b) review any breach of laws or any material breach of a Group policy, such as the Code of Ethics and Professional Conduct or the Anti-Bribery Policy, or other breakdown of the Group's internal controls;
- c) review the Group's insurance program, having regard to the Group's business and its insurable risks; and
- d) review material risk events reported across the Group, including high and very high enterprise risks and emerging enterprise risks, and the management of those risks.

## Report

- a) The Risk Committee will report on its meetings and the work of the Committee to the Board.
- b) Recommendations of the Risk Committee are to be referred to the Board for approval.

## 4. Authority

The Risk Committee has authority to:

- a) exercise the power and authority delegated to it by the Board;
- b) make recommendations to the Board;
- c) conduct or direct any investigation required to fulfil its responsibilities;
- d) obtain all information necessary for the performance of its duties;
- e) obtain (at IPH's expense) external advice to perform its duties;
- f) require the attendance of members of Management at Risk Committee meetings;
- g) have direct access to any employee or contractor of the Group and seek any information it requires from any employee in order to perform its duties;
- h) seek advice from the Audit Committee or the external auditors; and
- i) form and delegate full power and authority to sub-committees comprised of one or more Risk Committee Members.



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## 5. Responsibilities and Duties

### **Monitoring the Effectiveness of the Risk Management Framework**

- a) The Risk Committee is responsible for monitoring the effectiveness of the group's Risk Management Framework, particularly with reference to the risk appetite statement set by the Board.
- b) Management is responsible for:
  - i. the design, preparation, and implementation of the Group's risk management system to effectively manage the Group's risks and ensure compliance with laws and regulations;
  - ii. implementing, managing and maintaining appropriate enterprise-wide risk management policies, systems, processes, controls, and reporting protocols that are designed to effectively manage the Group's risks and ensure compliance with laws and regulations;
  - iii. providing timely, accurate and complete information to the Risk Committee on the Risk Management Framework; and
  - iv. maintaining sufficient knowledge, skills and expertise within IPH, and devoting sufficient resources, to effectively manage the Group's risks.

### **Review of Incidents**

- a) The Risk Committee is responsible for reviewing any breach of laws, any material breach of a Group policy, such as the Code of Ethics and Professional Conduct or the Anti-Bribery Policy, or other breakdown of the Group's internal controls.
- b) Management is responsible for providing timely, accurate and complete information to the Risk Committee on the Risk Management Framework, and any incident involving a breach of laws, any material breach of a Group policy or other breakdown of the Group's internal controls.

### **Review of Insurance Program**

- a) The Risk Committee will review the Group's insurance program and seek assurance from Management that the Group's insurable risks are appropriately covered.
- b) Management is responsible for implementing, maintaining and enhancing an appropriate insurance program for the Group as part of the Risk Management Framework.

### **Review of Information**

- a) The Risk Committee will review any public statements to be made by IPH on its exposure to risks and the management of those risks, including any material exposure to economic, environmental and social sustainability risks.
- b) Management is responsible for the preparation of any public statements to be made by IPH on its exposure to risks and their management.

### **Legal Compliance**

The Risk Committee will, in conjunction with the Board and Management, monitor the Group's compliance with all statutory and regulatory obligations.



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## **Other**

The Risk Committee shall examine any other matters referred to it by the Board.

## **6. Committee Performance**

To determine whether it is functioning effectively, once each year the Risk Committee shall:

- a) review this Risk Committee Charter; and
- b) perform an evaluation of its effectiveness.





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