

# Healius Limited

## Risk Management Committee Charter

### 1. Definitions and interpretation

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#### 1.1 Definitions

In this Charter, unless the contrary intention appears:

"**Annual Review Date**" means the occasion of the first meeting of the Board held after each annual general meeting (required under s250N(2) of the CA) of the Company.

"**at any time**" means at any time and from time to time.

"**the Board**" means the board of directors of the Company.

"**the Committee**" means the Risk Management Committee established by resolution of the Board, and whose Charter this is.

"**the Company**" means Healius Limited (ACN 064 530 516).

"**the Group**" means the Company and any entity controlled by the Company (as defined in Accounting Standard "AASB 127: Consolidated and Separate Financial Statements").

"**Director**" means a member of the Board.

"**Financial Certifications**" means the declaration under section 295A of the CA and the assurance given in accordance with Recommendation 7.3 to be given by each of the Chief Executive Officer and the Chief Financial Officer of the Company to the Board in relation to each proposed annual financial reporting by the Company.

"**Financial Reporting Risks**" means the Company's material business risk of a material error in the financial statements, for the year or the half-year, of the Company.

"**Guidance**" means any "Guidance", "Guideline", "Commentary" or "Suggestion" in relation to a "Recommendation" issued by the ASX Corporate Governance Council.

"**Principle**" means one of the 8 numbered "Principles" of corporate governance issued by the ASX Corporate Governance Council.

"**Recommendation**" means a numbered "Recommendation" issued by the ASX Corporate Governance Council.

"**Risk Management System**" means the risk management and internal control system implemented by the Group to manage the Group's material business risks (excluding Financial Reporting Risks), consistent with best practice in risk management, as identified in International Standard AS/NZS/ISO 31000 Risk Management (2009), and as modified from time to time.

## 1.2 Interpretation

In this Charter:

- (a) italicised notes are not part of this Charter and the Charter may be published at any time with or without any one or more of those notes, and either uniformly or on a selective basis;
- (b) references to the Corporations Act 2001 (Cth) ("**CA**") include any regulation made under that legislation and are construed as references to any statutory modification or re-enactment for the time being in force;
- (c) references to Clauses of the Constitution of the Company ("**cl.**"), or Recommendations of the ASX Corporate Governance Council ("**Recommendations**") are construed as references to those for the time being in force.

## 2. Authority

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### 2.1 Source of authority

The Committee is a committee of the Board [*cl. 22.1*]. The Committee is appointed and authorised by the Board to assist the Board in fulfilling its statutory and fiduciary responsibilities [*Guidance on Recommendation 7.2*]. The authority of the Committee is sourced from:

- (a) this Charter;
- (b) separate resolutions passed by the Board at any time; and
- (c) relevant Clauses of the Constitution of the Company.

### 2.2 Duties and responsibilities – recognise and manage risk – Principle 7

The Committee's primary role is to assist the Board in the effective identification and management of the Company's material business risks.

The Committee has the following duties and responsibilities:

- (a) ensure the Group has identified and regularly updates the profile of each of the Group's material business risks (excluding Financial Reporting Risks);
- (b) monitor any anticipated changes to the Group's material business risks (excluding Financial Reporting Risks);
- (c) monitor and review, at least on an annual basis, the effectiveness of the implementation of the Risk Management System;

- (d) report and provide recommendations to the Board (or the Chief Executive Officer and/or the Chief Financial Officer, as and when requested by such officer in relation to proposed Financial Certifications) on whether the Risk Management System is sound and being managed and implemented effectively;
- (e) review and approve key policies, as required in each business division of the Company, relating to the implementation of the Risk Management System; and
- (f) develop adopt a Risk Appetite Statement for the Group.

[Guidance on Recommendation 7.1 says, among other things:

- (a) *each company will need to determine the material business risks it faces;*
- (b) *when establishing and implementing its approach to risk management a company should consider all material business risks;*
- (c) *material business risks may include but are not limited to:*
  - (i) *operational;*
  - (ii) *environmental;*
  - (iii) *sustainability;*
  - (iv) *compliance;*
  - (v) *strategic;*
  - (vi) *ethical conduct;*
  - (vii) *reputation or brand;*
  - (viii) *technological;*
  - (ix) *product or service quality;*
  - (x) *financial reporting [see Clause 2.3 below];*
  - (xi) *market-related risks.]*

### **2.3 Not a duty or responsibility – Financial Reporting Risks – Principle 7**

The Committee is not responsible for assisting the Board in the effective identification and management of the Company's Financial Reporting Risks.

The Audit Committee, established by resolution of the Board, is responsible for assisting the Board in the effective identification and management of the Company's Financial Reporting Risks.

### **2.4 Direct access to Group employees**

The Committee has the authority to seek at any time any information the Committee considers may be relevant to its functions from any officer or employee of the Group. Such officers or employees must be instructed by the board of the entity employing them to cooperate fully in the provision of such information.

## 2.5 Investigation

The Committee has the authority to at any time conduct or direct any investigation it considers necessary to fulfil its responsibilities.

## 2.6 Retain advisers

The Committee has the authority to at any time retain, at the expense of the Company, such legal, accounting or other advisers, consultants or experts, as the Committee considers appropriate to assist it in meeting its responsibilities.

## 2.7 Recommendation

The Committee may at any time make recommendations to the Board as it sees fit.

## 2.8 Sub-committee

The Committee may at any time form and delegate authority to sub-committees, comprised of one or more members of the Committee as it considers necessary or appropriate. Each sub-committee has the full power and authority of the Committee, subject to the terms of its delegated authority [*cl. 22.2 and 22.5*].

# 3. Members of the Committee

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## 3.1 Composition requirements

Membership of the Committee is governed by the following requirements:

- (a) each member of the Committee is appointed by the Board; and
- (b) the Committee must comprise at least 3 Directors.

## 3.2 Annual review

Each member of the Committee, including its chair, continues as a member of the Committee on an ongoing basis, subject only to a cessation under **Clause 3.3**. On each Annual Review Date the Board must review the composition of the Committee.

## 3.3 Cessation

The Board may at any time remove any individual from the Committee and need not give a reason for doing so [*cl. 22.5(b)*]. If a member of the Committee ceases for any reason to be a Director, that individual automatically ceases to be a member of the Committee.

## 3.4 Fees

The services of a member of the Committee are beyond the ordinary duties of a Director. Accordingly, under Clause 16.6 of the Constitution of the Company, Committee members are entitled to receive remuneration as determined from time to time by the Board.

## 4. Chair

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### 4.1 Appointment

The chair of the Committee must be appointed by the Board. On each Annual Review Date the Board must review the composition of the Committee, including the chair [see *Clause 3.2 above*].

### 4.2 Acting chair

If the chair of the Committee is absent from a meeting of the Committee and no acting chair has been appointed, the members of the Committee present at the meeting must choose one of the members of the Committee present, whether independent or not, to chair that particular meeting.

## 5. Secretary

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### 5.1 Appointment

The Committee must appoint an employee from the Group as secretary of the Committee.

### 5.2 Minutes

The secretary of the Committee must ensure that minutes are taken of meetings of the Committee. If the secretary is asked to withdraw for all or any part of any meeting the chair must ensure that minutes are taken in respect of that part of the meeting [see *Clause 8.1 below re circulation of minutes*].

## 6. Meetings

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### 6.1 Meetings other than in person

The Committee may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they see fit. The Committee may conduct meetings by telephone or other form of technology without a member being in the physical presence of another member or other members providing the members have a reasonable opportunity to communicate by some means with each other [*same as cl. 17.1*].

### 6.2 Frequency

The Committee must meet often enough to undertake its role effectively, and no less than twice per year.

### 6.3 Additional meetings

The chair of the Committee must call a meeting of the Committee if so requested by:

- (a) any member of the Committee; or

- (b) the chair of the Board.

#### **6.4 Quorum**

A quorum for a meeting of the Committee is 2 members. However, if only one member is present because the 2 other members are absent by reason of **Clause 6.5** below, then the member who is present (without the material personal interest) may act in relation to the matter requiring such absence as if that member present were the full Committee.

#### **6.5 Conflict of interest of a member of the Committee**

A member of the Committee who has a material personal interest in a matter that is being considered at a meeting of the Committee must not:

- (a) be present while the matter is being considered at the meeting; or
- (b) vote on the matter

[*section 195(1) CA*].

## **7. Attendance at Meetings**

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### **7.1 Invitees**

Individuals who are not members of the Committee, whether Directors, other members of management of the Group, or parties external to the Group, may be invited to attend any meeting of the Committee.

### **7.2 Attendees may have to withdraw**

An individual who is not a member of the Committee may be asked by the Committee to withdraw for all or any part of any meeting of the Committee.

## **8. Reporting by the Committee**

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### **8.1 Circulation of minutes**

Minutes of each meeting of the Committee must be approved and signed by either the chair of that meeting or the chair of the Committee and then provided to the Board at the next meeting of the Board.

### **8.2 Reports to the Board**

The Committee, through its chair, must report to the Board at the earliest possible Board meeting after each meeting of the Committee. Such report should include any matters that, in the opinion of the Committee, should be brought to the attention of the Board, and any recommendations requiring the approval of the Board.

### 8.3 Review of Charter

The Committee may at any time review the adequacy of this Charter and recommend to the Board any changes to the Charter that the Committee considers are desirable.

### 8.4 Annual performance appraisal

An evaluation of the performance of the Committee and the extent to which the Committee has met the requirements of this Charter, which may include a self-assessment by the Committee of its performance, will be conducted through the Board's annual performance appraisal process.

### Charter History

27 March 2013	Risk Management Committee Charter approved by the Board
29 May 2015	Risk Management Committee Charter reviewed and updated by the Risk Management Committee
26 June 2015	Risk Management Committee Charter reviewed by the Risk Management Committee and approved by the Board
14 February 2018	Risk Management Committee Charter reviewed by Risk Management Committee and updated by the Risk Management Committee (minor edits to title of Committee)
25 January 2019	Company name updated
20 March 2019	Risk Management Committee Charter approved by the Board