



THE RPM GROUP

# RISK COMMITTEE CHARTER

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RPM AUTOMOTIVE GROUP LIMITED  
ACN 002 527 906



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# 1. ROLE

The role of the Risk Committee is to assist the Board in monitoring and reviewing any matters of significance in relation to risk management and related compliance. This Charter defines the Risk Committee's function, composition, mode of operation, authority and responsibilities.

# 2. COMPOSITION

The Board will strive to adhere to the following composition requirements for the Committee where at all possible. However, the Board acknowledges that the composition of the Board may not allow adherence to the following composition requirements from time to time.

- (a) The Committee must comprise of at least three members.
- (b) Where possible, all members of the Committee must be non-executive Directors.
- (c) Where possible, a majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A.
- (d) Is comprised of Directors who between them have sufficient understanding of the industry in which the Company operates, to be able to discharge the Risk Committee's mandate effectively.

# 3. PURPOSE

The primary purpose of the Committee is to review and make recommendations to the Board in fulfilling its responsibilities to shareholders by:

- (a) the identification and management of business, economic, environmental and social sustainability risks; and
- (b) the review of the Company's risk management framework at least annually to satisfy itself that it continues to be sound and to determine whether there have been any changes in the material business risks the Company faces and to ensure that they remain within the risk appetite set by the Board.

## 4. DUTIES AND RESPONSIBILITIES

### 4.1 Risk Management

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate).
- (c) Review the Company's risk management framework at least annually to satisfy itself that it continues to be sound.
- (d) Review reports by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

### 4.2 Other

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistleblower protection.
- (c) As contemplated by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the "Corporate code of conduct". Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Minor related party transactions.

## 5. MEETINGS

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee. An annual schedule of Committee meetings and activities will be established.
- (c) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (e) Decisions will be based on a majority of votes with the Chairman having the casting vote.
- (f) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

## 6. SECRETARY

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

## **7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Company whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Company in relation to matters within the Director's or officer's authority

## **8. ACCESS TO ADVICE**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **9. REVIEW OF CHARTER**

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.



## 10. REPORTING

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.
- (b) The Committee must brief the Board promptly on all urgent and significant matters.
- (c) The Company must disclose the policies and practices regarding the remuneration of non-executive Directors, executive Directors and other senior executives in the annual report and as otherwise required by law.

# **RPM AUTOMOTIVE GROUP LIMITED**

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