



Resource Generation Limited ACN 059 950 337

Risk Management Committee Charter

Purpose

The Board of Directors has ultimate responsibility for risk oversight and risk management. As a committee of the Board, the Risk Management Committee ('Committee') is responsible to the Board for:

- Leading the Company's strategic direction in the management of material business risk.
- Oversight of the establishment and implementation of a risk management framework.
- Reviewing the effectiveness of that risk management framework in identifying and managing risks and controlling internal processes.

Membership

- The member of the Committee shall comprise the Managing Director or CEO and at least three non-executive directors.
- The Company Secretary or his or her nominee shall act as Secretary to the Committee.

Chairman

- The Chairman of the Committee shall be a non-executive Director and will be elected by the Board.

Meetings

- The Committee shall meet at least four times a year at appropriate times and otherwise as required.
- The quorum of the meeting shall be a minimum of two.

Authority

The Committee is authorised to:

- To seek any information it requires from any employee/director of the Company in order to perform its duties.
- To obtain at the Company's expense, external legal or other professional advice on any matter within the terms of the Charter.
- To request the attendance of any employee at a meeting of the Committee as and when required.

Responsibilities

The Committee's responsibilities include:

- To advise the Board, in conjunction with the Audit Committee, on the Company's overall risk appetite, tolerance and the risk limits that should be applied in the various sectors of the Company's activities.
- To review the risk identification and management processes developed by management to confirm it is consistent with the Company's strategy and business plan.
- To review the Company's overall risk assessment process (including Risk Registers) to ensure both qualitative and quantitative metrics are used.
- To assess the steps management has implemented to manage, avoid, minimise or mitigate identifiable risks.
- To review the risk management framework at least annually to confirm that this continues to be sound.
- To review reports on any material breaches of risk limits and the adequacy of proposed action.
- To review the adequacy and security of the Company's arrangements for its employees and contractors to be able to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- To review the Company's procedures for detecting fraud.
- To review the Company's procedures for prevention of bribery and corruption.
- To recommend to the Board the appointment [when appropriate] of a Chief Risk Officer (CRO).
- To direct the CRO to ensure that appropriate and regular reports are provided to the Committee.
- To review promptly any reports on the Company prepared by the CRO.
- To liaise as appropriate with other Board Committees and in particular with the Audit Committee and the Safety, Health and Environment Committee, when appointed.
- To periodically review its own performance and, at least annually, review its composition and Charter to ensure it is operating effectively and efficiently and, to recommend any changes it considers necessary to the Board.
- To review, as appropriate, any Company policy which has implications in regard to risk management.

Reporting to the Board

- The minutes of the Committee will be tabled at the next meeting of the Board.
- The Chairman of the Committee shall report significant findings and recommendations to the Board after each Committee meeting.
- The Committee will as part of its meeting agenda, develop a list of key risks that it believes the Board should consider together with recommendations of the manner in which those risks should be addressed.

Membership

To be determined from time to time by the Board - see website and Annual Report disclosures.

Reviewed and approved by the Board: 19 May 2016