

# **RISK COMMITTEE CHARTER**

**Lighthouse Capital Limited**

# RISK COMMITTEE CHARTER

## 1. OBJECTIVE

The risk committee is established to assist the board in:

- Discharging its duties relating to the safeguarding of assets; and
- Ensuring the company has implemented an effective plan for risk management that will enhance the company's ability to achieve its strategic objectives.

## 2. MEMBERSHIP

The risk committee and its chairperson shall be appointed by the board. The risk committee shall:

- Consist of at least three directors;
- Be chaired by an independent non-executive director, who is not chairperson of the board; and
- Have members who are knowledgeable about the affairs of the company and have sufficient qualifications and experience to fulfil their duties.

Termination of risk committee membership shall be concurred by the board. To ensure that the risk committee continually comprises the best balance of knowledge, skills, experience, diversity and independence, the board will review its membership at least once per year.

## 3. RESPONSIBILITIES AND DUTIES

The risk committee must assume the following responsibilities:

- Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the board;
- Monitor implementation of the policy and plan for risk management implemented via risk management systems and processes;
- Make recommendations to the board concerning the levels of tolerance and appetite;
- Monitoring that risks are managed within the levels of tolerance and appetite as approved by the board;
- Oversee that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company;
- Ensure that risk management assessment and risks monitoring are performed on a continuous basis;
- Acknowledge the mitigating action plans committed by the business functions and review implementation status for major company risk mitigation;
- Ensure that frameworks and methodologies are implemented to anticipate unpredictable risks;
- Ensure that management considers and implements appropriate risk responses;
- Liaise closely with the audit committee to exchange information relevant to risk;
- Express the committee's formal opinion to the board on the effectiveness of the system and process of risk management; and
- Review reporting concerning risk management that is to be included in the integrated report to ensure it is timely, relevant and comprehensive.

To fulfil its responsibilities, referred to above, the duties of the risk committee shall include:

- Internal control and risk management (understand the company's key risk areas and the internal control structure and consider any other matters which may be referred to the committee by the board from time to time); and
- Sustainability reporting processes (evaluate the sustainability report of the company for reasonability, completeness and accuracy prior to issue and approval by the board).

## 4. AUTHORITY

The risk committee:

- Has the power to investigate any activity within the scope of its terms of reference as delegated by the board;
- Assists the board in fulfilling its responsibilities; and
- Has reasonable access to all information, including records, property and personnel of the

company, and must be provided with adequate resources in order to fulfil its responsibilities.

The risk committee is authorised by the board to:

- Investigate any activities within its terms of reference;
- Seek outside legal or other independent professional advice; and
- Seek any information it requires from any employee. All employees are directed to co-operate with any requests made by the risk committee.

## 5. REPORTING

The risk committee must report and make recommendations to the board regarding any issues that may arise. The board retains responsibility for implementing such recommendations.

The committee shall make a statement in the integrated report on:

- Its overall role and associated responsibilities and functions;
- Its composition, including each members qualifications and experience;
- Any external advisors or invitees who regularly attend committee meetings;
- Key areas of focus during the reporting period;
- The number of meetings held during the reporting period and attendance at those meetings; and
- Whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

## 6. MEETINGS

The risk committee meets at least once per financial year. Ad hoc meetings are held to consider special business, as required. The chief executive officer and/or other executive directors attend meetings of the risk committee, or part thereof, if needed to contribute pertinent insights and information.

The company secretary, in consultation with the chair of the risk committee, shall draw up an agenda, which shall be circulated with supporting documentation, at least three (3) days prior to each meeting to the members of the risk committee.

A quorum of the risk committee shall be a majority of members being present. Where necessary, the risk committee may invite any other relevant person to attend the meetings.

## 7. ATTENDANCE

The chairperson of the committee shall attend the annual general meeting to answer questions concerning matters falling within the ambit of the committee.

## 8. EFFECTIVE DATE

This charter replaces any previous board charter of the committee, which shall cease to be of any further force and effect from the date this charter is approved by the board.

This charter will be deemed to be accepted by, and be binding upon, all existing and future members of the board and/or board committee members from their acceptance of appointment as directors and/or board committee members, as the case may be, without any further action required

## APPROVAL FOR AND ON BEHALF OF THE BOARD

\_\_\_\_\_  
Chairperson: risk committee  
Lighthouse Capital Limited

\_\_\_\_\_  
Date