

# RISK COMMITTEE CHARTER

## Purpose of the Committee

The primary responsibility of the Risk Committee is to oversee the company-wide risk management practices to assist the board in overseeing:

- the company's enterprise wide Governance, Risk and Compliance Framework (GRC Framework), ensuring that the executive team has identified and assessed all the risks that the organisation faces and to ensure there is alignment between risk management and the company's strategy, business plans and financial objectives;
- in conjunction with other board-level committees or the full board, if applicable, risks, such as strategic, financial (including those relating to debt covenants), credit, market, liquidity, security, operational, IT, cyber, workplace health and safety, legal, regulatory, reputational, and other risks;
- the division of risk-related responsibilities to each board committee or sub-committee as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed; and
- QIC's compliance with its regulatory and contractual obligations, with the exception of financial and tax related regulatory and contractual obligations for which the Audit Committee is responsible.

QIC has adopted a 'three lines of defence' assurance model as part of its GRC Framework. The three lines of defence are implemented as follows:

1. **First Line of Defence:** QIC front line management has the principal responsibility for managing risk, the implementation of an effective GRC Framework and the development and maintenance of a supportive and proactive risk culture across QIC.
2. **Second Line of Defence:** QIC's Risk, Legal and Tax Division (RLT) is responsible for facilitating the effective identification, assessment and monitoring of risk across the business and reporting to the Committee on risk management and compliance with the GRC Framework.
3. **Third Line of Defence:** QIC's auditors are responsible for providing oversight and review of the controls used to identify, assess, monitor and report risk.

Unless stated otherwise, reference to 'QIC' in this Charter includes QIC's subsidiaries and trusts.

## Authority

Unless explicitly granted otherwise by the Board, the Committee does not have decision-making powers, but rather will make recommendations to the Board for consideration.

## Structure and Membership

The Committee comprises directors of QIC Limited and is chaired by a member of the Board (excluding the QIC Limited Chair). Permanent members include at least three independent non-executive directors (as nominated from time to time by the QIC Chair and of which at least one must have appropriate risk management expertise).

The QIC Chair attends meetings as an ex-officio member.



Permanent invitees include the: Chief Executive and Executive Directors' (ED) of Risk Legal & Tax, Finance and Operations & Technology and representatives from internal audit. The invitees will be provided with Committee papers.

Each member or invitee may nominate a suitably qualified Alternate subject to the approval of the Committee Chair.

Other invitees may attend at the Chair's discretion, including QIC management representatives and external audit, risk and industry advisors.

## Supporting governance

Through its regular reporting cycle, the Committee receives assurance from senior management that QIC's GRC Framework is operating as designed.

The Committee has established, in conjunction with the Audit Committee, the Management Risk and Valuations Sub-Committee for the purpose of providing subject matter expertise and challenge to the GRC Framework. For clarity however, valuation-related matters as overseen by the Risk and Valuations Sub-Committee are reportable to the Audit Committee. The Risk and Valuations Sub-Committee is chaired by the ED, Risk, Legal & Tax, with a standing invite open to members of the Risk Committee.

The Committee works in parallel with the HR & Remuneration Committee in relation to compliance and risk oversight of work health and safety and any non-compliance with the Code of Conduct and Ethics.

The Committee will ensure the GRC Framework is subject to a comprehensive review by internal audit to validate its appropriateness, effectiveness and adequacy at least once every three years.

## Duties and Responsibilities

### Governance Risk & Compliance Framework

The Committee's duties and responsibilities are to:

1. monitor, review and make recommendations to the Board on matters including the:
  - a. design of the GRC Framework and its effectiveness and relevance to current and future strategic and business risk exposures of QIC, including the systems, controls and processes contained therein.
  - b. risks included in the Key Risk Register including mitigating actions, strategies, measures and assumptions.
  - c. allocation of responsibilities across the three lines of defence as detailed within QIC's Assurance Map.
  - d. ongoing assessment and (if required) recalibration of the Risk Appetite Statement.
  - e. adequacy of all of QIC's insurance programs, including annual renewals.
  - f. compliance with QIC's regulatory and contractual obligations (excluding those financial and tax related regulatory and contractual obligations for which the Audit Committee is responsible).
  - g. approval of internal audit plans.
  - h. appointment of, and reporting on the activities of, QIC's internal auditor, as and when necessary, as a shared responsibility with the Audit Committee which holds such a responsibility with regard to QIC's external auditors.



- i. policies relevant to the Committee's responsibilities, as defined in the Policy & Standards Guidance Note.
2. consider reports received in accordance with QIC's internal audit plan and assess management's responses to recommendations contained therein.
3. review processes implemented by management to develop and maintain a supportive and proactive risk management culture within QIC.
4. oversee all workplace health and safety risk management processes and reporting.
5. refer to the HR & Remuneration Committee, or other appropriate forum, any relevant matters that have come to the attention of the Committee.

#### **Other**

6. Evaluate and oversee the activities of the Risk and Valuations Sub-Committee, with the exception of valuation-related matters, including the dissemination of a common risk framework and language throughout QIC.
7. Recommend the Charter and policies of the Risk and Valuations Sub-Committee to the Board, including any changes from time to time.
8. Consider any other matters of significance to the risk profile or strategy of QIC, as necessary or considered desirable.
9. Oversee the review by management of assurance reports received by QIC from material service providers.
10. Advise the Board on any other matters referred by the Board.

## **Secretarial and Meetings**

The Company Secretary (or delegate) shall act as Secretary to the Committee.

The ED Risk Legal & Tax, in conjunction with the Chair of the Committee, shall draw up an agenda for approval by the Chair of the Committee. Papers will be delivered to Committee members at least five days prior to the relevant meeting.

The Committee shall meet a minimum of four times each year. The Chair shall convene meetings at such times as he or she deems necessary or when requested by the QIC Board or Chief Executive. All Committee members are expected to attend each meeting, in person or via teleconference or video conference.

A quorum shall be half the number of directors appointed to the Committee and, if that number is not a whole number, the next highest whole number

Minutes of meetings will be provided in draft form to the Committee Chair and confirmed at the following meeting of the Committee.

The Committee has facility to consider matters via interim submission. In the main, interim submissions require the unanimous approval of all Committee members. If a Committee member is unable to be contacted in respect of an interim submission, the Committee Chair will decide on final approval after receiving a full report on comments made by those Committee members who were contactable. If unanimous approval of those Committee members that are contactable is not obtained, the item is deferred to the next Committee meeting.



## Reporting to the Board

The Chair of the Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting.

The Chair of the Committee shall provide a report to the Board at the end of each financial year on the activities and considerations undertaken by the Committee during the period.

## Performance Review

Each year, the Committee shall perform a self-evaluation of its performance to determine whether it is functioning effectively and meeting the requirements of its Charter and will submit the results of this review to the Board.

## Accountability

1. Each member of the Committee is entitled to rely on QIC management on matters within their responsibility, and on external professionals on matters within their areas of expertise, and may assume the accuracy of information provided by such persons, so long as they are not aware of any reasonable grounds upon which to question its accuracy.
2. The QIC Executive Committee is responsible for implementing, managing and maintaining appropriate control framework systems, policies and procedures, reporting protocols and internal controls designed to provide assurance on compliance with the applicable laws, standards and regulations and the Committee shall monitor the QIC Executive Committee's performance in this area.
3. Professional advisers may be appointed, where necessary, to assist the Committee in evaluating specific issues or risks and the strategies put in place to deal with the issue or manage the risk.

## Access to Internal Audit, External Audit & Management

The Committee has the right of direct contact with management, with Internal Audit and with External Audit, noting the predominant source of contact with External Audit will be via the Audit Committee. The Committee shall hold a separate private meeting at least annually, or more frequently if it so determines, with each of the Chief Executive, ED Risk Legal & Tax, ED Finance and ED Operations & Technology.

Internal Audit and External Audit (as necessary) have a right of direct and unfettered access to the Committee through the Chair of the Committee. The Committee shall perform an evaluation of Internal Audit's performance at least annually to determine whether it is functioning effectively by reference to current best practice.