



Gladstone Ports Corporation Limited

Risk Committee Charter

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1. Terms of Reference

The primary objective of the Risk Management Committee (“Risk Committee”) is to assist the Board in fulfilling its responsibilities in relation to oversight of effective risk identification, management and mitigation programs.

The purpose of this charter is to outline the role, responsibilities, composition and operating guidelines of the Risk Committee.

2. Role and Responsibilities

The Board has ultimate responsibility for ensuring the safeguarding of the GPC’s assets. The Risk Committee (the Committee) assists the Board in carrying out its duties by providing independent and objective review, advice and assistance in developing Board policy and monitoring corporate activity within the scope of its remit, and making recommendations to the Board for resolution. It is not a policy making body, nor does it have substantive executive function in its own right.

The role of the Committee includes assisting the Board in GPC’s governance and exercising of due care, diligence and skill in relation to risk assessment, treatment strategies and monitoring.

Consistent with GPCL’s determined appetite for risk, it includes assisting the Board to understand risks, which may:

- Impede GPC from meeting its corporate governance obligations under the *Government Owned Corporations Act 1993 Qld* and the *Corporation Act 2001*;
- Impede GPC from meeting its commitments under the formal performance agreement between the Board and the shareholding Ministers (the Statement of Corporate Intent);
- Impede GPC from achieving its goals and objectives as set out in the Statement of Corporate Intent, Corporate Plan and 50 Year Strategic Plan;
- Affect the health, safety or welfare of employees, visitors and others in relation to GPC’s operations;
- Threaten compliance with GPC’s regulatory and legal obligations;
- Impact on the community and the environment in which GPC operates;
- Impact on GPC’s reputation, or that of its people;
- Result in personal liability for Company Officers arising from GPC’s operations.

The Risk Committee does not replace or replicate established management responsibilities and delegations or the responsibilities of other executive management groups within GPC.

The Risk Committee is directly responsible and accountable to the Board for the exercise of its duties and responsibilities. In carrying out its duties and responsibilities, the Committee must at all times recognise that primary responsibility for management of GPC rests with the Board.

The Risk Committee is delegated the following role and responsibilities:

2.1 Monitoring

- Monitoring and reviewing issues that may impede the goals, objectives and performance of the company;
- Monitoring and reviewing safety systems throughout the company’s operations;
- Monitoring of operations and maintenance of records, to ensure compliance with company policies and regulatory requirements;
- Management of insurance programs to ensure appropriate coverage by reputable insurers at competitive premium levels with regard to GPCL’s circumstances and needs;

- Monitor the organisation's risk profile, its ongoing and potential exposure to risks of various types.

2.2 Review and Maintenance

- Review the company's risk appetite and risk tolerance, as determined by the Board, and with respect to relevant categories of operational risk;
- Review and assess the various categories of risk faced by the company;
- Review and maintenance of the enterprise risk management framework and appropriate operational risk management frameworks based on industry standards;
- Review the management systems and loss prevention and control measures directed at managing the potential for loss or damage to the company;
- Maintenance of internal control systems in order to provide accurate, relevant, timely and reliable financial and operational information;
- Ensuring an appropriate risk-aware culture has been embedded through the company;
- Review and approve the risk management infrastructure and the critical risk management policies adopted by the organisation.

3. Relationship with the Board and Management

3.1 The Board has ultimate responsibility for the oversight of GPC's governance and exercising of due care, diligence and skill in relation to risk management.

3.2 The Board has appointed the Risk Committee to ensure the fulfilment of these responsibilities.

3.3 The Risk Committee will:

- Advise and assist the Board in fulfilling its responsibilities relating to oversight of risk management matters;
- Report to the Board on significant circumstances and risk related issues which may materially affect the company;
- Ensure the Board is aware of matters which may significantly impact on the affairs of GPC;
- Liaise as necessary with the Audit and Compliance Committee, the Human Resources Committee, and other Committees established from time to time by the Board, as appropriate;
- Do other things and take other actions as are necessary or prudent to fulfil the responsibilities of the Committee, provided that no action will be taken without approval of the Board; and
- Assign to the administrative officer assigned by the CEO to assist the Committee, such duties and responsibilities as the Committee may deem appropriate.

3.4 The CEO and management are responsible for the day-to-day management of the systems, processes and practices associated with risk management.

3.5 The CEO and management will provide reports, briefings and presentations on relevant matters to the Risk Committee on a regular basis, throughout the year.

3.6 Following review by the Chair, a copy of the Risk Committee meeting minutes are to be included in the papers for the next Board meeting.

4. Reporting to the Board

- 4.1 The Chair is to report to the Board following each Committee meeting. Such reporting may be by distribution of a copy of the minutes, supplemented by other necessary information, including recommendations requiring Board action and/or approval.
- 4.2 The Chair is to organise the supply of information regarding the risk Committee which is to be included in the company's annual report.

5. Membership

- 5.1 The Board appoints the Risk Committee members and its Chair.
- 5.2 The membership of the Committee should be reviewed annually by the Board.
- 5.3 All Committee members shall be versed in risk management principals and standards.
- 5.4 Furthermore, to the extent practicable, at least one (1) member shall have risk management expertise as determined by the Board.
- 5.5 At least one member will have expertise in the industry in which GPC operates.
- 5.6 The Committee will comprise non-executive independent Board directors only.
- 5.7 Membership of the Committee should comprise at least one member of the Audit and Compliance Committee.

6. Confidentiality

All proceedings of the Risk Committee, including papers submitted and presentations made to the Committee shall be kept confidential and will not be disclosed or released to any person other than either Committee members or members of the Board , except as required by law or as agreed by the Committee or Board of Directors.

7. Meetings

- 7.1 Meetings and proceedings of the Risk Committee are governed by the same provisions regulating meetings and proceedings of the Board.
- 7.2 Meetings of the Committee shall be convened by the Secretary at the request of any of its members or at the request of the Board or CEO if considered necessary.
- 7.3 The Chair shall convene meetings at such times as may be necessary. In any event, the Committee shall meet at least five (5) occasions each year and otherwise as required.
- 7.4 **Quorum**
 - A minimum of two (2) directors will attend the Committee Meetings. In circumstances where one (1) of the Directors is not available, then an alternate Director (who must be a current Director of the Board), as nominated by the Chair, may attend.
 - In the absence of the Committee Chair, the members will elect one of their number as Chair of the meeting.

7.5 **Conflicts of interest.** Committee members will be required to disclose conflict of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from Committee discussions on the issue where a conflict exists.

7.6 **Voting.** Any matters requiring a decision, will generally be decided on consensus, or if consensus is not achievable, then by a majority of votes of Committee members present.

7.7 **Attendance**

- The Chief Executive Officer, the Commercial General Manager and Chief Governance Officer shall have standing invitations to attend all Committee meetings.
- Managers and other employees of GPC, and external consultants engaged on relevant tasks, may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by the Board or the Committee .
- Other Board members may attend meetings of the Committee in an unofficial capacity.

7.8 **Agenda Items**

- The agenda for a Risk Committee meeting is determined by its Chair.
- The Committee, as appropriate, may consider the following matters and minute them accordingly:
 - i. Review and approval of the minutes of previous meetings;
 - ii. Review the major issues relating to risk management;
 - iii. Prepare reports and recommendations to the Board;
 - iv. Review of reports on the results of audits and risk assessments, the replies of management and also any corrective actions taken by management, as deemed appropriate;
 - v. Perform such other functions and consider such other matters deemed necessary by the Committee to fulfil its responsibilities;
 - vi. Review with management information contained in relevant reports where considered appropriate; and
 - vii. Perform such other functions and consider such other matters deemed necessary by the Committee to fulfil its responsibilities.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, will be forwarded to each member of the Committee, and all other persons required to attend, no later than five working days before the date of the meeting. The agenda will be circulated together with relevant supporting papers to Committee members and to other attendees as appropriate. Later papers may be accepted with the approval of the Committee Chair.
- Reports and other papers of the Risk Committee are available to all directors.

7.9 Minutes

- Minutes are to be prepared for each Risk Committee meeting.
- The draft minutes for each Risk Committee are to be reviewed by the Chair and circulated to all Committee members as soon as practicable but no later than two (2) weeks after the meeting.
- Circulate minutes of the Committee meetings to invited guests as appropriate.
- Minutes of the meeting are to be ratified at the next meeting of the Risk Committee.
- Following review by the Chair, a copy of the minutes of the Risk Committee is to be included in the papers of the next Board meeting.

7.10 **Secretariat duties.** The Chief Governance Officer or his or her nominee shall act as the secretary of the Committee.

8. Access

- 8.1 The Risk Committee shall have the power to conduct or authorise investigations into any matter within its objectives or as requested by the Board.
- 8.2 The Committee shall be entitled to have unrestricted access to management, employees, records and other information it considers relevant to its function.

9. Independent Advice

- 9.1 The Risk Committee shall be empowered to retain independent legal advice, advisors or other professionals to assist in discharging its responsibilities.
- 9.2 GPC will pay the reasonable costs incurred by the Committee in doing so, as well as all administrative costs incurred in carrying out its duties.

10. Continuing Education

Committee members are encouraged to participate in professional development and keep up to date on relevant topical issues. Committee members may, at GPC's expense, undertake professional development courses that relate to role and function of the Committee member.

11. Committee Performance

- 11.1 To ensure the Risk Committee is fulfilling its duties to the Ports Corporation and its shareholding Ministers, the Committee will:
- review its performance on an annual basis. The review may be conducted as a self-assessment and will be coordinated by the Chair. The assessment may seek input from any person. Training needs will be monitored by the Chair. The Chair will provide feedback of the review to the Board.
 - provide any information the Board may request to facilitate its review of the Committee's performance and its members.
 - obtain feedback from the Board on the Committee's performance and implement any agreed actions.

11.2 These activities may be conducted in accordance with the biennial Board performance review.

12. Review of Risk Committee Charter

12.1 The Risk Committee will review the Charter annually, to ensure that it remains consistent with the Board's objectives and responsibilities.

12.2 All amendments to the Charter will be discussed and approved by the Board.

12.3 The Board will review the need for the existence of an ongoing separate Committee after two years in operation. This is requirement of approval for establishment of the Committee by the shareholding Ministers.

13. Position Descriptions

13.1 **Committee Chair.** The Board shall appoint the Chair of the Committee. The Chair of the Committee shall preside over the meetings of the Committee and may call special meetings, in addition to those regularly scheduled, and shall report to the Board the actions and recommendations of the Committee.

13.2 **Officer assisting the Committee.** The Chief Governance Officer is the officer assigned by the CEO to assist the Committee in administrative matters and is generally responsible for carrying out the administrative requirements of the Committee. In particular:

- Ensuring that the Committee agenda is developed in a timely and effective manner for review and approval;
- Ensuring that the Committee papers are developed in a timely and effective manner;
- Coordinating, organising and attending Committee meetings and ensuring that correct procedures are followed;
- Drafting and maintaining minutes of the Committee meetings; and
- Carrying out the instructions of the Committee.

14. Approval of the Charter

The GPC Risk Charter is endorsed by the Chair of the Committee and approved by the Board on the ____ day of _____ 2017.

Marita Corbett
Chair Risk Committee

Peter O'Sullivan
Chief Executive Officer