

DRAFT Terms of Reference

Risk and Performance Committee

Preamble

The **Risk and Performance Committee** is established as a committee of the RAAus Board. This document shall be read in conjunction with the RAAus Board Charter. It sits alongside the Finance and Audit committee of board to provide directors with more opportunity than is available in board meetings to support the company's efficient achievement of its strategic plan and meeting of compliance responsibilities.

These committees operate at the strategic level with the CEO, staff and Company Secretary implementing the operational plans and details. The Company Secretary complements these committees by ensuring that operational matters and procedures described in the company's constitution are actioned for example, through recording minutes and actions, submitting required returns and reports and initiating performance assessment described in the board's charter that is obligatory and routine.

It is envisaged that the TORs for the Finance and Audit Committee and the Risk, Governance and Performance Committee and the Company Secretary's role will comprehensively cover all of the scope of compliance work that the company must complete.

The establishment of this committee this does not relieve the Directors of any of their legal responsibilities.

COMMITTEE'S GENERAL PURPOSE AND OBJECTIVE

The Board is responsible for RAAus Ltd risk management, corporate governance and for monitoring performance of the company. The Risk and Performance Committee's (RPC) purpose is to assist the RAAus Board in its responsibilities for compliance, good governance and risk management.

To assist the Board, The Risk and Performance Committee shall receive reports and make recommendations on matters including the:

- The Board Charter and TORS for Board Committees
- RAAus Risk Appetite and Risk Management Strategy
- Board's composition and effectiveness
- Performance of the Company against agreed metrics
- Any other matters as may be determined by the Board.

The existence of this Committee does not relieve Board members of their responsibilities for these matters.

DUTIES & SCOPE

The purpose of RPC is to support the Board and CEO of RAAus for;:

1. the biennial review of the RAAus Board Charter

Risk Management and Compliance

The committee will appraise, discuss and report to the Board on;

2. the Risk Management Framework (annually);
3. whether RAAus operates within the risk profile and risk tolerance approved by the Board by regularly assessing reports covering key risk areas, including risk profiles;
4. the effectiveness of RAAus risk management processes, risk mitigation strategies and controls and reporting systems, including:

- Internal processes for identifying, assessing, monitoring and managing key risk areas in line with the Board approved Risk Management Framework
 - Whether management has appropriate controls in place for transactions that may carry more than an acceptable degree of Risk.
5. key compliance policies and assessing their effectiveness over time;
 6. the effectiveness of RAAus systems, processes and controls to manage compliance and whether legislative, regulatory, government and contractual obligations are met.

This committee will liaise with and take advice from the board's Finance and Audit committee regarding financial and audit performance indicators and data.

Company Performance

7. The committee will maintain a Board agreed schedule of KPIs for performance evaluation of the company, the board and the CEO and will review and recommend approaches for:
 - CEO performance evaluation
 - Board and Committee Evaluation
 - Chair Evaluation
 - Individual Director Evaluation
8. The Committee will appraise reports of progress against KPIs for the company.

Succession Planning

9. The Committee shall work with the Board, and the Chairman as required, to ensure the Board is considering the issue of Chairman and Deputy Chairman succession planning, and;
10. planning for Board composition, structure and succession, including consideration of competencies and skills that:
 - The Board considers to be necessary as a whole,
 - The Board considers each existing Director possesses
 - Any Board appointment that would bridge a skills gap for the Board.

As required the committee will provide its appraisal of;

11. nomination, induction and professional development of Board members and of the Board as a whole
12. Board related Conflicts of Interest
13. Suspected breaches of the Code of Conduct and Board Charter.
14. The needs of Board and Board Committees in terms of the frequency of Board and Board Committee meetings, meeting agendas, discussion papers, reports of the Board Evaluation.
15. An annual statement of governance practices for publication in the Annual Report, if required.
16. Any material, strategic risk or opportunity related to Governance, Risk and Performance.

COMPOSITION

17. The Risk, Governance and Performance Committee shall comprise of a minimum of two Board Members, as follows:
 - One Board member, ideally with legal or corporate governance expertise to act as Chair

- One Board Member, to act as Deputy Chair
- Invited members with relevant expertise. The Committee may recommend that the Board appoint others to assist the Committee as necessary
- The Chief Executive in an ex officio capacity. The Chief Executive and/or Chair may invite other executives to attend when appropriate.

APPOINTMENT PROCESS

18. The Chair will be appointed to the Committee by the Board following the appointment of board positions.
19. Should an external member of the Committee be required they shall be appointed on advice from the committee and subject to the approval of the Board.
20. The Board may remove any member of Committee at any time, at its sole discretion.

FREQUENCY OF MEETINGS

21. The Risk & Governance Committee shall meet a minimum of 4 times per year, with additional meetings at the discretion of the Committee Chair. The meeting schedule should allow for reports to be distributed with RAAus Board Papers..

QUORUM

22. A quorum for meetings will be at least three members, one of whom is a Board member.

MINUTES

23. The Chair will ensure that minutes of the Committee's and any recommendations are recorded. Agenda and Papers will be distributed five working days prior to the meeting where possible. Minutes will be circulated to all members of the Committee and to the Board.

REVIEW

24. Review should take place every 24 months

DOCUMENT CONTROL

25. V1, 2 May 2019