



RISK AND COMPLIANCE COMMITTEE CHARTER

UCW Limited
ACN 108 962 152

Last reviewed: August 2019

1 ROLE AND RESPONSIBILITIES

1.1 Overview

The Risk and Compliance Committee (**Committee**), a sub-committee of the Board of directors (**Board**) of UCW Limited (**Company** or **Group**) has adopted this charter to outline the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

The Committee assists the Board in carrying out its duties by providing independent and objective review, advice and assistance in developing Board risk profile and risk 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 the Company's governance and exercising of due care, diligence and skill in relation to risk assessment, risk treatment (in addition to mitigation strategies) and monitoring.

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

- (a) impede the Company from achieving its goals and objectives;
- (b) impact on the Company's performance;
- (c) threaten compliance with the company's regulatory and legal obligations;
- (d) affect the health, safety or welfare of employees, students and others in relation to the Company's operations;
- (e) impact on the community and the environment in which the Company operates;
- (f) impact on the Company's reputation and that of its people; and
- (g) result in personal liability for Directors and other Company officers arising from the Company's operations.

1.2 Other Committee objectives

The Company's risk policy objectives will be achieved by implementation of effective risk identification, management and mitigation programs, including:

- (a) monitoring and reviewing issues that may impede the goals, objectives and performance of the company;
- (b) maintenance of an enterprise risk management framework and appropriate operational risk management frameworks based on industry accepted standards;
- (c) maintenance of internal control systems in order to provide accurate, relevant, timely and reliable operational information;
- (d) monitoring and reviewing safety systems throughout the Company's operations;

- (e) monitoring of operations and maintenance of records to ensure compliance with Company policies and regulatory requirements;
- (f) the reporting to the Committee and Board on significant circumstances and risk related issues, which may materially affect the Company;
- (g) implementation of management systems, loss prevention and control measures directed at managing the potential for loss and damage to the Company; and
- (h) ensuring an appropriate risk-aware culture has been embedded throughout the organisation.

In discharging these objectives, the Committee may prepare a formal risk management framework and any other documentation that the Committee deems necessary, which is to be considered together with this charter.

2 COMPOSITION

2.1 Membership

The Board, usually on the recommendation of its Remuneration and Nomination Committee, will appoint Committee members and the Chair of the Committee.

Membership of the Committee will be reviewed annually, and members are eligible for reappointment. Membership will be confirmed annually by the Board.

The Committee will consist of:

- (a) both non-executive and executive directors, although the majority should be non-executive;
- (b) a minimum of three members; and
- (c) an independent, non-executive director as Committee Chair that is also not Chair of the Board.

Members should be conversant with risk management principles and standards, with the majority of members having a sound understanding of the business, operations and affairs of the Company and the industry in which it operates

2.2 Committee Chair

The Committee Chair will preside at meetings of the Committee. If the Committee Chair is not present at a Committee meeting, the Committee members so present must elect another member to act as Committee Chair for that meeting.

The role of the Committee Chair is to:

- (a) determine the agenda for meetings of the Committee in conjunction with the Committee Secretary (as defined below in section 3.5);
- (b) chair meetings of the Committee and take reasonable steps for the proper functioning of the Committee, including the proper conduct of meetings and an appropriate level of discussion;

- (c) take reasonable steps regarding the adequate flow of relevant information to the Committee;
- (d) take reasonable steps to advise the Board on the Committee's recommendations to the Board on matters falling within the scope of the Committee's responsibilities;
- (e) review the minutes of meetings of the Committee for circulation to and approval of the Committee, and sign the approved minutes; and
- (f) act under a delegation of the Committee, including liaising on behalf of the Committee with consultants advising the Committee.

3 MEETINGS

3.1 Frequency of meetings

The Committee will meet as often as the Committee members deem necessary in order to fulfil its role. However, it is intended that the Committee will normally meet at least two times each financial year.

In addition, the Committee Chair is required to call a Committee meeting if requested to do so by:

- (a) any Committee member;
- (b) the Committee Chair; or
- (c) any other director.

3.2 Attendance by non-members

All directors may attend Committee meetings.

Members of management and/or parties external to the Company may be invited to attend any Committee meeting or part thereof.

3.3 Meetings other than in person

Where deemed appropriate by the Committee Chair, meetings may occur via conference call or other electronic means, and approvals and recommendations may occur via written resolution.

3.4 Conflicts of interest

Committee members will be invited to disclose conflicts 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 such conflict exists.

3.5 Secretary

A delegate approved by the Committee will act as Secretary of the Committee and shall be responsible, in conjunction with the Committee Chair, for drawing up the agenda (supported by explanatory documentation and papers) and circulating the

Committee papers to Committee members prior to each meeting. Directors may request papers for or from any meeting and will be notified in advance of the agenda for forthcoming meetings.

The Committee Secretary will also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Chair for review and, once approved, to the other members of the Committee.

3.6 Quorum

A quorum shall consist of at least two (2) members.

4 PERIODIC REVIEW

The Committee has the responsibility for:

- (a) reviewing this charter at least once annually, and recommending any proposed changes to the Board for approval; and
- (b) conducting a periodic, but at least biennial, evaluation of the Committee's performance, and the extent to which the Committee has met its obligations under this charter.

5 ACCESS

The Committee shall have free and unfettered access to all personnel and other parties (internal and external).

Committee members may seek independent professional advice for Group-related matters at the Group's expense, subject to the estimated costs being approved by the Chair of the Board in advance, as being reasonable.

6 INTERNAL AUDIT

As and when required (together with external consultants if deemed necessary), the Committee will undertake an assessment of its risk management and internal control processes.

7 REPORTING

The Committee, through the Committee Chair, is to report to the Board following each Committee meeting. Such reporting may be by distributing a copy of the minutes, supplemented by other necessary information, advising and making recommendations to the Board on matters falling within the scope of its responsibilities.

The Committee Chair is to organise the supply of information regarding the Committee which may be included in the Company's Annual Report.