



Risk Committee Charter

8 July 2015

1. Introduction

- 1.1 The Risk Committee is a committee established by the Board of Directors of Washington H. Soul Pattinson and Company Limited.
- 1.2 This Charter sets out the role and responsibilities, composition and structure of the Committee.

2. Definitions

- 2.1 In this Charter the following terms have the meanings shown:
- 'Board' means the Board of Directors of WHSP.
 - 'Chair' means Chair of the Committee.
 - 'Committee' means the Risk Committee.
 - 'Director' means a director of WHSP.
 - 'Secretary' means the Secretary to the Committee.
 - 'WHSP' means Washington H. Soul Pattinson and Company Limited.

3. Role and Responsibilities

- 3.1 It is the role of the Board to set the risk appetite/tolerance of WHSP including the balance of risk and reward for new and existing undertakings.
- 3.2 The role of the Committee is to review the risk management framework of WHSP (at least annually) including overseeing the processes for:
- identifying significant risks facing WHSP; and
 - implementing appropriate and adequate risk control, monitoring and reporting mechanisms.
- 3.3 The Committee's responsibilities include:
- assisting the Board in fulfilling its responsibility of ensuring that there is an effective and embedded risk management process in place throughout WHSP;
 - assessing whether there are appropriate processes/controls in place to manage the key risks down to an acceptable level, in line with the Board's risk appetite;
 - assessing if the risk management process will ensure that emerging risks are identified and managed;
 - assessing whether all new business opportunities have been appropriately considered from a risk perspective;
 - assessing if appropriate processes/controls are in place to ensure regulatory compliance;
 - assessing whether information technology risks are adequately addressed through the risk management, monitoring and assurance processes;



- reviewing the adequacy of WHSP's insurance policies;
- reviewing the impact that significant litigation could have on WHSP;
- reviewing of the terms of reference and activities of subsidiary company and joint venture risk committees; and
- determining whether WHSP has any material exposure to:
 - economic sustainability risks;
 - environmental sustainability risks or;
 - social sustainability risks,and if so, how it manages those risks.

3.4 The day-to-day responsibility for identifying and managing risk resides with management. Management is accountable to the Board via the Committee for designing, implementing and monitoring the risk management framework and to integrate it into the day-to-day activities.

4. Composition and Structure

4.1 The members and the Chair of the Committee will be appointed, removed and/or replaced by the Board.

4.2 The Committee will consist of:

- All Directors unless otherwise resolved by the Board;
- at least three members;
- a majority of independent Directors (as determined by the Board); and
- an independent Director (as determined by the Board) as Chair.

4.3 The Company Secretary of WHSP or their nominee will act as the Secretary to the Committee.

5. Authority and Access

5.1 While ever all Directors are members of the Committee, the Committee has the full power of the Board. At other times the Committee:

- is authorised by the Board to perform any activities required to discharge its responsibilities and;
- has unrestricted access to WHSP employees, including requiring their attendance at Committee meetings.



6. Meetings

- 6.1 The Committee is to meet as often as required and at least once each year.
- 6.2 Meetings will be called by the Secretary at the request of the Chair of the Committee or the Chair of the Board.
- 6.3 A quorum will comprise three members of the Committee.
- 6.4 Members of the Board who are not members of the Committee and others may attend meetings at the invitation of the Chair.
- 6.5 The Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of Committee papers.
- 6.6 A meeting of the Committee can be held in person, by telephone, by teleconference or by other electronic means or any combination thereof, so long as a quorum of members can hear the proceedings of the meeting and be heard by other members at all times.

7. Reporting

- 7.1 The Committee meeting minutes will be provided to the Board for noting.
- 7.2 At any time that all Directors are not members of the Committee, the Committee will report to the Board providing sufficient information to allow informed decision making.

8. Access to Advisers

- 8.1 The Committee shall have the authority to appoint and set the terms of engagement of advisers as required for the Committee to carry out its responsibilities.

9. Review

- 9.1 The Committee is to periodically review this Charter to keep it up to date with the responsibilities and objectives of the Committee.
- 9.2 Amendments to this Charter are to be made by the Board or the Committee provided all Directors are members of the Committee at the time of the change.

10. Publication

- 10.1 This Charter is to be made available on WHSP's web site.

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