



# Risk Committee Charter

## 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 of WHSP including the balance of risk and reward for new and existing undertakings.
- 3.2 The roles and responsibilities of the Committee include:
- Ensuring an appropriate Risk Management Framework is in place.
  - Review of the risk management framework (at least annually) to ensure effective and embedded risk management processes are in place across WHSP;
  - Identification of significant financial and non-financial risks facing WHSP – including but not limited to key strategic, operational, new and emerging risks;
  - Consideration of risks related to investee companies and/or a combination of investee companies that directly impact the achievement of the strategic objective of WHSP and therefore require action to be taken by the management of WHSP;
  - Ensure there are appropriate and adequate risk monitoring and reporting mechanisms which work to manage risk to an acceptable level in line with the Board's established risk appetite for WHSP;
  - Review any material incident involving fraud or a break-down of the WHSP's risk controls and the "lessons learned" as a result;
  - Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;
  - Make recommendations to the Board in relation to changes that should be made to WHSP's risk management framework or to the risk appetite set by the Board; and
  - Oversee WHSP's insurance program, having regard to its business and the insurable risks associated with its business.
- 3.3 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.

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## 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.
- 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.

Version	Date effective	Approved by
2	22.05.2020	WHSP Risk Committee