



# Board Risk Committee Charter

14 April 2021



## 1. Role

- 1.1. The role of the Board Risk Committee is to assist the Washington H Soul Pattinson and Company Limited (Soul Patts) Board in setting the risk appetite of Soul Patts, including the balance of risk and reward for new and existing undertakings, and in monitoring the operation of the risk management framework. While all Directors are members of the Committee, the Committee has the full power of the Board.

## 2. Responsibilities

- 2.1. To accomplish its role, the Committee:
  - 2.1.1. identifies significant financial and non-financial risks facing Soul Patts – including but not limited to key strategic risks and material operational risks as well as new and emerging risks;
  - 2.1.2. reviews the risk management framework (at least annually) to assess its effectiveness in managing the material risks of the Company and that the Company is operating with due regard to the risk appetite set by the Board;
  - 2.1.3. makes recommendations to the Board in relation to changes that should be made to Soul Patts' risk management framework or to the risk appetite set by the Board;
  - 2.1.4. considers risks related to investee companies and/or a combination of investee companies that directly impact the achievement of the strategic objective of Soul Patts and therefore require action to be taken by the management of Soul Patts;
  - 2.1.5. reviews the adequacy of risk monitoring and reporting mechanisms and the extent to which it is embedded in the risk management processes across Soul Patts;
  - 2.1.6. reviews any material incident involving fraud or a break-down of Soul Patts' risk controls and the "lessons learned" as a result;
  - 2.1.7. receives 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;
  - 2.1.8. oversees Soul Patts' insurance program, having regard to its business and the insurable risks associated with its business;
  - 2.1.9. assesses and reviews Soul Patts' policies and practices designed to ensure compliance with laws and obligations;
  - 2.1.10. reviews the annual work plan and the performance of the Committee; and
  - 2.1.11. periodically reviews the Committee's Charter
- 2.2. 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 Soul Patts' day-to-day activities.



### 3. Composition and membership

- 3.1. The Committee will consist of:
  - 3.1.1. all Directors unless otherwise resolved by the Board;
  - 3.1.2. at least three members;
  - 3.1.3. a majority of independent Directors;
  - 3.1.4. an Independent Director as Chair; and
  - 3.1.5. an Independent Director is a Director who has been assessed by the Board to be independent in accordance with the Board's definition of Independence.
- 3.2. The Company Secretary of Soul Patts or their nominee will act as the Secretary to the Committee.

### 4. Meetings

- 4.1. The Chair of the Committee is required to convene a meeting of the Committee if requested to do so by any Committee member.
- 4.2. Members of the Board who are not members of the Committee and others may attend meetings at the invitation of the Chair.
- 4.3. Frequency: the Committee is to meet as often as required and at least once each year.
- 4.4. Quorum: a quorum will comprise three members of the Committee.
- 4.5. Secretary: the Secretary will keep minutes of proceedings and resolutions of the Committee together with copies of Committee papers.

### 5. Access and advice

- 5.1. The Committee has unrestricted access to Soul Patts employees, including requiring their attendance at Committee meetings.
- 5.2. The Committee has authority to appoint and set the terms of engagement of advisers as required for the Committee to effectively carry out its responsibilities.

### 6. Reporting

- 6.1. The Committee, through its Chair, will advise and make recommendations to the Board and other Board Committees on matters falling within the scope of their responsibilities. The Committee meeting minutes will be provided to the Board.

Version	Approved	Date
1	Approved by the Board	14 April 2021