

Risk Committee Charter

1. Purpose

The Risk Committee ('the Committee') is a committee of the Queensland Teachers' Union Health Ltd Board ('the Board'). The Committee's primary role is to assist the Board in the effective discharge of its responsibilities regarding the governance of the Group's risks. The Committee is responsible for providing an objective, non-executive review of the effectiveness of the risk management framework and culture, including, internal control arrangements of the Group.

2. Membership

- 2.1 The Committee will consist of a minimum of three and a maximum of five members of the Board, one of whom shall be the Chair of the Committee. The Chair must be an independent Director as defined by the Private Health Insurance Prudential Standards. A majority of members must be independent, as per the same criteria.
- 2.2 The Committee members must have prior exposure to risk management principles and practices, with at least one member having direct risk management experience. Other desirable experience for members includes, compliance, legal, auditing or actuarial.
- 2.3 The Chair, members, and term of appointment of each member shall be determined by the Board.
- 2.4 The Chair of the Committee must not be the Chair of the Board or the Chair of the Audit Committee.
- 2.5 The Chair of the Board of Directors is invited to attend all meetings as an ex-officio member, but is not a formal or voting member of the Committee.
- 2.5 The Committee may have the same members as the Audit Committee.

3. Meetings

- 3.1 Meetings will be held at least quarterly. In addition, the Chair of the Committee may call such additional meetings as may be necessary.
- 3.2 Three members of the Committee are required to be present to constitute a quorum.
- 3.3 Representatives from the Company's External and Internal Auditors and Appointed Actuary may be invited to attend Committee meetings (in part or in whole). The Committee will have unfettered access to the External and Internal Auditors and Appointed Actuary and may meet with these parties without management being present whenever it is deemed appropriate by the Chair of the Committee.
- 3.5 The Chief Executive Officer, Executive Manager Strategy and Finance and Chief Risk Officer will be required to attend Committee meetings on a regular basis, in whole or in part, and will be provided with copies of relevant Committee papers. Other employees of the Company may also be requested to attend from time to time by the Committee.

- 3.6 Meetings shall be conducted on a formal basis and be effectively minuted by the Company Secretary (or delegate) as to proceedings and recommendations. Meeting agenda must be prepared by the Company Secretary (or delegate) in line with the Committee Charter and following any input from Committee Members and the Chief Executive Officer. Such agenda shall be confirmed by the Committee Chair and relevant meeting materials distributed to all members of the Committee at least five days prior to a meeting.
- 3.7 Minutes of meetings must be prepared and sent to the Committee Chair as soon as possible after the conclusion of the meeting. Minutes must be confirmed as an accurate record of the meeting at the next subsequent meeting of the Committee.
- 3.8 The Chair of the Committee will report to the Board following each Committee meeting.

4. Role and Responsibilities

- 4.1 The role and responsibilities of the Committee are to consider matters referred to it by the Board, and in particular:

4.1.1 Risk Management

- (a) Oversee the process within which risks are identified and managed within the Company;
- (b) Assess the adequacy and appropriateness of the Company's risk governance and management framework, including recommending to the Board, new or modified policies, business principles or actions to promote an appropriate risk management culture and improve control effectiveness;
- (c) Consider and make recommendations to the Board on the Company's Risk Appetite Statement and associated tolerances;
- (d) Consider all significant risks facing the Company and the ability to manage or change the incidence and impact on the business of risks that do materialise, and the comprehensiveness of risk categories;
- (e) Monitor and report to the Board, including on the Company's risk position relative to its Risk Appetite Statement, Capital Management Plan and alignment with the Company's values, mission and corporate strategy;
- (f) Oversee stress testing and scenario analysis of material risks;
- (g) Review the Outsourcing Policy and the management of outsourced material business activities;
- (h) Evaluate the effectiveness of business continuity arrangements;
- (i) Monitor the application of complaint management processes and assess any complaints that may have a material impact on the organisation;
- (j) Constructively challenge management's application of the Risk Appetite Statement and risk management policies in its proposals and decisions;

- (k) Recommend to the Board the scope of annual and comprehensive triannual risk management reviews, providers to undertake these reviews and recommend the annual APRA risk management declaration; and
- (l) Oversight of the appointment and removal of the Chief Risk Officer and assist with setting the objectives and monitoring the performance of the CRO and ensuring this role has unfettered access to the Committee and Board.

4.1.2 Compliance

- (a) Consider and make recommendations to the Board on changes to the compliance management framework, including new or modified policies, activities and reporting;
- (b) Review significant non-compliance matters identified from the Company's compliance system;
- (c) Assess the adequacy of the Company's internal controls and review and oversee compliance practices and disclosures; and
- (d) Ensure that implemented compliance processes are in accordance with the compliance system.

4.1.3 Insurance

- (a) Review, on an annual basis, the Company's insurance arrangements, including the type of cover held and the extent of that cover.

4.1.4 Internal Audit

- (a) Recommend the scope for reviews; and
- (b) Review the findings of internal audit reports and management's responses, including that appropriate remedial action is taken.

4.1.5 General

- (a) Review of Deed of Access arrangements for Officers and Directors and Deeds of Indemnity.
- (b) Any other related responsibilities referred to the Committee by the Board from time to time.

4.2 The Board will review the performance of the Committee against its Charter every year, in conjunction with the annual Board evaluation process.

5. Support for Committee Members

- 5.1 An induction program to support newly appointed Directors to the Committee will include:
- (a) A session with the Chair of the Committee covering the Committee Charter and relationship of the Committee with the Board;
 - (b) A session with the Executive Manager Strategy and Finance and Chief Risk Officer covering compliance and risk management frameworks.

6. Authority

- 6.1 The Committee is authorised by the Board to investigate any activity that falls within the terms of its Charter. In this regard, it is authorised to:
- (a) seek any information it reasonably requires from any employee;
 - (b) seek any information it reasonably requires and hold discussions with the appropriate providers to the Board, including the Internal Auditor, External Auditor and Appointed Actuary; and
 - (c) obtain outside legal or other independent professional advice; and
 - (d) secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 6.2 The Committee has no authority to implement its recommendations on matters that fall within the terms of its Charter, but submits such recommendations to the Board for consideration.