



# Risk Committee Charter

**Club Rivers (Riverwood Legion & Community Club Ltd) CAN: 000 411 923 ABN: 80 000 411  
923 Premises No. 229866 (the "Company")**

**Dated 8 March 2009**

## **1 Authority**

### **1.1 Purpose**

The purpose of this Risk Committee Charter is to specify the authority delegated to the Risk Committee (“**Committee**”) by the board of directors of the Club (“**Board**”) and to set out the role, responsibilities, membership and operation of the Committee.

### **1.2 Authority**

The Committee is a committee of the Board established in accordance with the Club’s constitution and is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the responsibilities set out in this charter and under any separate resolutions of the Board granted to it from time to time.

## **2 Role of the Committee**

The role of the Committee is to assist the Board in carrying out its Risk Management system and responsibilities by making recommendations to the Board on:

- (a) the integrity of the Club’s Risk Management systems and Risk Register;
- (b) the Club’s systems and procedures for identification and management of Risk associated with the Club and any applicable legal and regulatory requirements (other than the financial compliance obligations monitored by the Audit Committee)
- (c) the Company’s system of risk management including:
  - (i) the effectiveness of the Company’s risk management framework having regard to the Company’s risk management culture;
  - (ii) the identification and assessment of the material risks facing the Club considered against the Club’s risk appetite;
  - (iii) the systems and procedures for compliance with applicable legal and regulatory requirements (other than compliance obligations monitored by the Audit Committee).
  - (iv) the appropriate level of reporting on the performance and application of the risk management system throughout the Club

## **3 Responsibilities**

### **3.1 Risk Management System**

The Committee is responsible for (and where appropriate, making recommendations to the Board on matters relating to the following):

- (a) The Club accepts that risk is an essential element of business strategy, however there are clear statutory, regulatory and market expectations that the Club has a sound system of recognising and managing those risks.

- (b) Every function by way of operational within the Club is responsible for managing the risks associated with achieving its business objectives.
- (c) All material business risks are to be identified with associated business strategy and corresponding objectives, analysed, treated, monitored and communicated in accordance with the Club's risk management policy via the Risk Register.
- (d) All management are expected to adhere to prudent risk management practices and acceptable control standards – and any variances from these must be pre-approved by appropriate level of management and reported back to the Risk Committee
- (e) Management shall regularly assess compliance with policies and procedures and the overall state of risk management and control.
- (f) The Board and management practice proactive risk identification in all aspects of the Club's business activities particularly in any major proposed projects and/or investments, changes in nature of activities and/or operating environment, or venturing into new operating environment which may present different risk profiles.
- (g) Regular formal workshops and meetings are conducted across all business areas to identify and assess all material business risks faced, or potentially exposed to, by the Club in pursuing its business objectives.
- (h) These risks include, but are not limited to: strategic, operational, compliance, reputation or brand, technological, product or service quality, human resources, financial and market-related risks.
- (i) All identified risks are rated and prioritised by analysing each risk for the likelihood of occurrence and the possible consequence should the risk occur. Consideration is also given to the level of current controls, systems and strategies which exist to manage the risk.
- (j) Treatment strategies (where possible) are identified and considered for all significantly rated risks until those risks are managed to, and maintained at, a level acceptable to the Board. Risk exposure and control effectiveness are monitored to ensure changing circumstances do not alter priorities.
- (k) Material business risks, including significant changes in their risk profile, are reported to the Risk Committee, the Executive Committee, the Audit Committee and the entire Board on a regular basis or as appropriate. The risk register is used as the primary input into developing the risk-based internal audit plans.
- (l) The Company uses a risk management template to facilitate the update and maintenance of risk register and to track risk management activities. Due to the limitations that are inherent in any system of risk management and internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide a reasonable but not absolute level of assurance against material misstatement, adverse events or losses, or more volatile outcomes from arising.

### **3.2. Risk Oversight and Responsibilities**

- (a) The Club's risk management policy clearly describes the roles and accountabilities of the Board, the Audit Committee, the Risk Committee, the Executive Committee,
- (b) The Board affirms its overall responsibility for overseeing the establishment and implementation of the risk management and internal control systems. The Board is also responsible for reviewing the Club's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.
- (c) The Risk Committee assist the Board in discharging this responsibility, by ensuring the establishment, review and assessment of the Club's policies and systems of risk management and internal control.
- (d) The Board acknowledges that the integrity of the Club's risk management depends upon the existence of a sound system of risk management and internal control and has implemented on a half-yearly basis, a written declaration from the CEO that the system is operating effectively in all material respects in relation to reporting risks.
- (e) The Board is also assisted by the Audit and Executive Committee to fulfill its corporate governance and oversight responsibilities relating to the compliance by the Club with gaming laws and regulations, and policies, and codes and conditions associated with maintenance of the Club's gaming licences and liquor licences
- (f) The Board monitors the effective implementation and full compliance with the risk management policy. The Board has delegated this responsibility to the CEO and receives regular reports from the CEO on compliance with such risk management policy.
- (g) All key executives and managers are trained in the area of risk and the requirements of the Club's risk management policy. The Board is responsible for ensuring independent and objective assurance to the business through evaluating and improving the effectiveness of risk management, controls, business decisions and governance processes.
- (h) All management and staff are responsible for the management, monitoring and reporting of risks. The Club is striving to create an environment where managing risk is accepted as the personal responsibility of each staff member in the achievement of their organisation goals and objectives.

## **4 Membership**

The Committee will consist of:

- (a) one Executive member of the Board and 3 non-executive members of the Board

- (b) the majority of members are to be non-executive directors; and
- (c) at least three members.

Membership is reviewed periodically and re-appointment to the Committee is not automatic. Appointments and resignations are decided by the Board.

#### **4.2 Chairperson**

The chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

#### **4.3 Technical expertise**

The Committee must be structured so that:

- (a) at least one member has relevant qualifications and experience, that is, has a thorough understanding of Risk Management; and
- (b) some members have an understanding of the industry in which the Club operates.

#### **4.4 Skills development**

If the Board approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Club's expense.

#### **4.5 Commitment of Committee members**

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities. At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

#### **4.6 Secretary**

The Club Secretary (CEO) is the secretary of the Committee.

### **5 Committee meetings and processes**

#### **5.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions in the Club's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

#### **5.2 Frequency and calling of meetings**

The Committee will meet as frequently as required to undertake its role effectively. The chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chairperson of the Board.

#### **5.3 Quorum**

Two directors constitute a quorum for meetings of the Committee.

#### **5.4 Attendance by management and advisors**

The Chief Executive Officer and Financial Controller are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the internal and external auditors. The Committee chairperson may also invite directors who are not members of the Committee, other senior executives and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

#### **5.5 Agenda and documents**

The chairperson of the Committee determines the meeting agenda after appropriate consultation.

The secretary distributes the agenda and any related documents to all Committee members and other attendees before each proposed meeting.

#### **5.6 Access to information and advisors**

The chairperson of the Committee receives all reports between the external auditor and management, and the internal auditor and management.

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access the Club's documents and records; and
- (c) subject to prior approval of expenditure, obtain the advice of special or independent counsel, accountants or other experts, seeking approval of the Board or management

#### **5.7 Minutes**

The secretary will keep minute books to record the proceedings and resolutions of its meetings. The chairperson of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

### **6 Committee's performance evaluation**

The Committee will review its performance from time to time and whenever there are major changes to the management structure of the Company. The performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this charter.

### **7 Review and publication of charter**

The Board will review this charter to ensure it remains relevant to the current needs of the Company. The charter may be amended by resolution of the Board. The charter is available on the Company's website and the key features are published in the annual report.

**Approved by the Board on 8 March 2009**