



Tower Limited

# Risk Committee Charter

March 2024



## Document Information

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<b>Policy preparer</b>	Corporate Governance Counsel
<b>Policy owner</b>	Risk Committee Chair
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## Document History

<b>Version</b>	<b>Date</b>	<b>Changes</b>	<b>Reason for change</b>	<b>Author</b>	<b>Date approved</b>

## **1. Introduction**

- 1.1. The Board of Directors (the **Board**) of Tower Limited (**Tower**) has established the Risk Committee (the **Committee**) and delegated to it the responsibility to assist and advise it in relation to various matters related to risk management and compliance practices at Tower.
- 1.2. The Committee is a sub-committee of the Board. The Committee has no decision-making powers except where expressly provided by the Board and is accountable to the Board for its performance.
- 1.3. Terms used in this Charter have the meaning given to them in the Charter of the Board of Directors unless the context indicates otherwise.

## **2. Constitution**

- 2.1. Provisions of Tower's Constitution relating to meetings, proceedings and quorum of Directors shall, so far as not altered by this Charter, apply to the Committee.

## **3. Purpose**

- 3.1. The purpose of the Committee is to assist the Board to:
  - a. discharge its responsibilities relating to the Company's risk management framework, ensuring it remains appropriate to the size and complexity of the business; and
  - b. identify, assess and manage risk (including financial and non-financial risk) in accordance with risk management policies and frameworks.

## **4. Objectives**

- 4.1. The objectives of the Committee are to:
  - a. assist the Board to discharge its statutory duties and its oversight responsibilities, including the assessment of risk and setting of risk appetite;
  - b. monitor Tower's risk management processes, compliance with regulations and risk management policies, and reporting on these matters to the Board as necessary; and
  - c. satisfy itself that Tower is conforming to appropriate risk management practices.

## **5. Responsibilities**

- 5.1. The Committee is responsible for:
  - a. **Risk Appetite Statement**
    - i. reviewing and recommending to the Board for approval the Risk Appetite Statement and overseeing compliance with it.

**b. Risk Management**

- i. reviewing and recommending to the Board for approval the Company's Risk Management Framework; and
- ii. monitoring the adequacy and effectiveness of Tower Limited's Risk Management Framework including receiving and reviewing reports from the Chief Risk Officer in relation to Tower's key risks and exposures and how they are being managed by reference to the Board's risk appetite.

**c. Risk Culture**

- i. developing a view of the extent to which Tower's risk culture supports the business to operate within its risk appetite statement; and
- ii. identifying any desirable changes to risk culture and recommending these to the Board as required.

**d. Regulatory Matters**

- i. overseeing Tower's response to regulatory enquiries and investigations; and
- ii. monitoring Tower's approach to any remediation undertaken by Tower.

**e. Conflicts of Interest**

- i. monitoring and reviewing policies and practices established to avoid and manage conflicts of interest (pecuniary or otherwise) by Tower, its Directors, Management and staff (including those engaged as contractors); and
- ii. reviewing, and recommending the Board approve inter-company and related party transactions when requested by Management.

**f. Capital Management**

- i. provide review and oversight of the Company's Internal Capital Adequacy Assessment Process and Capital Management Process to the extent that these are relevant to risk appetite and risk management; and
- ii. recommending to the Board for approval any changes required to the Capital Management Process.

**g. Cyber Risk**

- i. receiving reports on the Company's cyber-risks and cyber security, including cybersecurity threats, risk management and controls, cyber incidents and the like, and making any recommendation that may be required to the Board.

**h. Health and Safety**

- i. periodically reviewing, and recommending to the Board for approval, policies relating to health and safety;
- ii. monitoring compliance with health and safety policies;
- iii. ensuring that health and safety risks are properly identified, managed and reported; and
- iv. reviewing significant health and safety related incidents and actions taken by Management to minimise the risk of recurrence.

- i. **Sustainability and climate change**
  - i. reviewing and recommending to the Board for approval, any sustainability policy adopted by Tower;
  - ii. ensuring that Tower has an effective sustainability strategy and appropriate reporting processes;
  - iii. reviewing sustainability initiatives and outcomes; and
  - iv. considering reports submitted by management on sustainability initiatives;
  - v. assisting the board to identify and settle on key climate related risks, including transition risks, and monitoring Tower's response to climate related risks and opportunities, including making recommendations to the Board as required.
- j. **Chief Risk Officer**
  - i. in consultation with the Chief Executive Officer and the Remuneration and Appointments Committee, provide endorsement for the appointment of the Chief Risk Officer, and monitor the performance of the Chief Risk Officer; and
  - iii. the Chief Risk Officer will have unfettered access to the Committee. The Committee will also have unfettered access to the Chief Risk Officer.
- k. **Corporate Governance**
  - i. monitoring the development of and compliance with Tower's corporate governance principles, policies and practices.
- l. **Statutory and Regulatory Compliance**
  - i. monitoring and reviewing policies and practices established to comply with non-financial regulatory and statutory requirements and obligations;
  - ii. reviewing material non-financial compliance matters including key regulatory and compliance areas, contact with regulatory authorities, quality assurance reporting and litigation; and
  - iii. receiving reports and recommending actions to be taken by the Board where appropriate to ensure that Tower complies with all laws and regulations, including reporting requirements.
- m. **Conduct Risk**
  - i. oversight of policies established to comply with Tower's Fair Conduct Programme; and
  - ii. receiving reports and recommending actions to be taken by the Board where appropriate to ensure adherence to Tower's Fair Conduct Programme.
- n. **Special Investigations, including Whistleblower response**
  - i. identifying and recommending to the Board and/or Chief Executive Officer any special investigations deemed necessary to fulfil Committee functions, objectives, and responsibilities; and
  - ii. investigating any matters relating to possible improprieties that are raised by any Tower personnel. Matters may be raised through the Chief Risk Officer or Chief Executive Officer, or through Tower Limited's Whistleblower process as set out in the Tower Limited Whistleblower Policy.

**o. General**

Considering and responding to any other matters:

- i. relating to its functions, objectives and responsibilities;
- ii. referred to it by the Board;
- iii. referred to it by the Chief Executive Officer, Chief Financial Officer or Chief Risk Officer;
- iv. relating to emerging risk issues within Tower and the sector; and
- v. relating to Tower's status as a licensed insurer and financial advice provider.

## **6. Membership**

- 6.1. The Board will annually review and confirm the membership and chairmanship of the Committee, which shall be comprised of a minimum of three suitably qualified Non-Executive Directors, the majority of whom are independent.
- 6.2. At least one Committee member will have experience in the identification, assessment or management of risk exposures.
- 6.3. The Committee Chair will be appointed by the Board and will be an independent Non-Executive Director.

## **7. Meetings**

- 7.1. The Committee shall meet at least four times a year and may meet at any other time on the request of any Committee member or the Chief Executive Officer.
- 7.2. Any Non-Executive Director of the Board may attend a meeting by invitation of the Committee Chair (on a non-remunerated basis).
- 7.3. The Committee may require the attendance of any member of Management at a Committee meeting. Management may attend meetings by invitation only, noting that the Chief Executive Officer, Chief Financial Officer and Chief Risk Officer and General Counsel/Company Secretary have standing invitations to the meetings.
- 7.4. Reasonable notice of meetings and the business to be conducted will be given to members.
- 7.5. Meeting materials should be provided one week before each meeting.
- 7.6. The quorum for any Committee meeting is a majority of Committee Members.
- 7.7. A resolution of the Committee is passed if a majority of the votes cast are in favour of it. The Chair does not have a casting vote.
- 7.8. An appropriately qualified and experienced person will act as Secretary to the Committee. The Secretary is responsible for circulating the meeting agenda and supporting material to all Committee members and any other person advised by the Chair. The Secretary will also prepare minutes of each

meeting. The minutes of all Committee meetings will be circulated by the Secretary to Non-Executive Directors of the Board.

## **8. General scope and authority**

- 8.1. The Committee will not take actions nor make decisions on behalf of the Board and will have no powers with regard to its findings and recommendations, except where expressly authorised by the Board.
- 8.2. The Committee may:
- a. take such independent professional advice as it considers necessary; and
  - b. arrange for external third parties with relevant experience and expertise to attend meetings,
- at the expense of Tower Limited, as it considers necessary.

## **9. Reporting**

- 9.1. The Chair of the Committee will report material findings and recommendations to the Board after each Committee meeting.
- 9.2. The Chair of the Committee will submit an annual report to the Board summarising the Committee's activities, findings, recommendations and results for the past year.

## **10. Confidentiality**

- 10.1. All proceedings of the Committee, including papers submitted and presentations made to the Board, shall be kept confidential and shall not be disclosed or released to any person other than Board members, except as required by law or as agreed by the Board.

## **11. Access**

- 11.1. Members of the Committee shall have full and free access to executives and other employees of the Company, with requests for such access to be made via the Committee Chair to the Company Secretary.

## **12. Independent Professional Advice**

- 12.1. A Director may obtain independent professional advice relating to the affairs of Tower or the discharge of his/her responsibilities as a Director or Committee Member. Directors will inform the relevant Board Chair when they obtain independent professional advice. Tower will meet the reasonable costs of such advice.



### **13. Review**

- 13.1. The Committee will formally review this Charter every two years or at any other interval that the Committee considers appropriate and either:
- a. confirm to the Board its appropriateness; or
  - b. recommend changes to the Board for approval.
- 13.2. The Board may update or amend the Charter outside of this cycle at any time it considers necessary.