

# **AUSTRALIAN VINTAGE LIMITED**

## **RISK COMMITTEE**

### **TERMS OF REFERENCE AND CHARTER**

#### **Background**

The Risk Committee is established by the Board of Australian Vintage Limited to ensure that Australian Vintage Limited and its subsidiaries (“Company”) have established a sound system of risk management. This Committee is primarily responsible for operational and other non-financial risks (the Audit Committee is responsible for financial and taxation risks. The risk management of major projects (e.g. acquisitions) is overseen directly by the Board).

#### **Purpose of the Committee**

The Risk Committee is established to monitor and review on behalf of the Board the system of risk management which the Company has established. This system should identify, assess, monitor and manage operational and compliance risks.

The Risk Committee determines the Company’s “risk appetite” and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.

The Risk Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.

The Risk Committee should aim to minimise any adverse impact on the Company that may result from the occurrence of an identifiable corporate risk.

**AUSTRALIAN VINTAGE LIMITED**  
**CHARTER FOR RISK MANAGEMENT COMMITTEE**

**Definitions**

In this Charter the following terms shall have the following meanings:

**‘Board’** means the full Board of Directors of Australian Vintage Ltd from time to time.

**‘Committee’** means the Risk Committee constituted by the Board as a committee of the Board from time to time. At the date of this Charter the Committee consists of:

- Peter Perrin (Chairman)
- Richard Davis
- John Davies

**‘Company’** means Australian Vintage Limited and its subsidiaries.

**1. Membership**

- 1.1 The Committee will consist of at least three members, with at least two members being independent non-executive directors.
- 1.2 The Chairman of the Committee should be appointed by the Board and must be an independent director and not be the Chairman of the Board.
- 1.3 Committee membership will be reviewed at least annually.

**2. Quorum**

- 2.1 A quorum shall be any two members.
- 2.2 The Committee may invite attendance from any staff of the Company to assist in its duties.
- 2.3 The Committee has the right to obtain information, interview management and external auditors (with or without management present) and seek advice from external consultants or specialists where the Committee considers that necessary or appropriate.

**3. Meetings**

- 3.1 Meetings will be held at least twice per year.
- 3.2 The Committee must review and update its Charter and assess the Committee’s effectiveness and the effectiveness of the risk management framework annually, with a view to ensuring that its performance accords to the greatest extent possible and practical, with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations, as amended from time to time.

**4. Duties of the Committee**

In fulfilling its purpose the Committee should ensure that:

- 4.1 it monitors management’s performance against the entity’s risk management framework, including whether it is operating within the risk appetite set by the Board;

- 4.2 it communicates any material changes to the Board about the management of risk, the risk appetite, and the associated internal controls of the Company;
- 4.3 it makes recommendations to the Board in relation to changes that should be made to the entity's risk management framework or to the risk appetite set by the Board;
- 4.4 risks are identified and monitored through a systematic review of the organisation and its operations;
- 4.5 an appropriate risk register is maintained which describes the risks, the likelihood of occurrence, mitigating strategies and consequential risk. These must be updated regularly as required and reviewed by the Committee every twelve months;
- 4.6 adequate procedures have been designed and implemented to manage identified risks;
- 4.7 a system of reporting and investigating incidences, breaches or excessive risks operates effectively;
- 4.8 an appropriate and regular review program is undertaken to test the adequacy of, and compliance with, procedures adopted in relation to identifying risks;
- 4.9 when requested to do so by the Board or when the Committee considers appropriate, an investigation can be undertaken and reported to the Board on any risk-related matter;
- 4.10 review any material incident involving fraud or a breakdown of the entity's risk controls and the "lessons learned";
- 4.11 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;
- 4.12 obtaining a statement annually from the CEO (and other relevant key management personnel) to the Board that the Company's risk management and internal compliance and control system is operating effectively in all material respects;
- 4.13 this Charter is made publicly available on the Company's website; and
- 4.14 the Annual Report explains any departure by the Company from this Charter.

## **5. Specific risks to be managed by the Committee**

- 5.1 Outlined below are some specific operational and compliance risks, which among other things are the responsibility of the Committee.
- 5.2 The Committee is responsible for:
  - (a) promoting and supporting an organisational culture that is committed to risk management through open communication and effective risk management leadership;
  - (b) implementing an appropriate risk management program to raise the awareness of management and staff about corporate and operational risks and best practices in the management of those risks;
  - (c) reviewing the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. This

includes satisfying itself that the risk management framework deals adequately with contemporary and emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change;

- (d) reviewing the Company's main corporate governance practices as required under the ASX Listing Rules for completeness and accuracy;
- (e) ensuring appropriate policies, procedures, controls and monitoring and reporting mechanisms have been adopted by the Company to prevent breaches of and to ensure compliance with all legislation and regulations relevant to the Company's;
- (f) ensuring there is adequate employee education and support to facilitate safety, security and good health in the workplace and monitoring of workplace safety;
- (g) ensuring appropriate contingency plans are in place in the event of the loss of a key executive of the Company or any industrial dispute to minimise disruption to the Company's operations, costs or reputation;
- (h) ensuring that the Company operates in accordance with the terms of all licences and permits issued to it by any government body or any other authority;
- (i) adopting appropriate procedures for the improvement and preservation of the reputation and brand value of all the businesses in the Company;
- (j) oversee the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business;
- (k) ensuring all system information is backed up in accordance with established back up procedures;
- (l) ensuring appropriate and adequate disaster recovery plans have been implemented;
- (m) ensuring all risks relating to digital business technology are considered by the Committee and reported to the Board; and
- (n) ensuring full disclosure of information has been made on the Company website as required by the ASX Listing Rules or any other relevant legislation.