

ASC  
BUSINESS ASSURANCE &  
SECURITY COMMITTEE  
CHARTER



ASC

## ESTABLISHMENT

The Board has established the Business Assurance and Security Committee under the Constitution.

This charter sets out the scope of the Business Assurance and Security Committee's responsibilities in relation to the Group.

## OBJECTIVES

Risk assessment and risk management are the responsibility of ASC's management.

The Committee has an oversight role and is not responsible for the identification of risks affecting ASC. In that capacity the Committee will receive reports from management concerning the Group's risk management principles, policies, processes and practices so that it can satisfy itself that:

- a) Adequate systems are in place for the effective identification and assessment of all areas of potential material business risk other than those arising from financial reporting and accountability (being risks considered by the Audit Committee).
- b) Adequate policies, processes and procedures have been designed and implemented to manage identified material risks.
- c) Appropriate action is undertaken to bring the identified material risks within the Group's risk tolerance levels.
- d) A culture of compliance is being promoted.
- e) Compliance strategies and functions are effective.

## RISK MANAGEMENT AND INTERNAL CONTROL

Actions the Committee will undertake to fulfil its duties and responsibilities include the following:

- a) Oversee, agree and recommend annually for Board approval the ASC risk appetite and tolerance levels (for material business risk exposures).
- b) Oversee, agree and recommend for Board approval an Enterprise Risk Management Framework consistent with the agreed Group's risk appetite and risk tolerance levels (for material business risk exposures).
- c) Monitor and update the risk profile against the agreed risk appetite and risk management framework.



- d) Oversee the design and implementation of the Enterprise Risk Management Framework and internal control systems, in conjunction with existing business processes and systems, to manage the Group's material business risks including but not limited to:
  - i. corporate risk
  - ii. personnel safety
  - iii. product safety
  - iv. export controls
  - v. program and project management risk
  - vi. legal risk
  - vii. facilities risk
  - viii. environmental risk
  - ix. strategic risk
  - x. IT risk
  - xi. human resources risk
  - xii. reputation risk.
- e) Oversee the establishment of processes and procedures for the monitoring and evaluation of ASC's risk management systems.
- f) Establish reporting guidelines for management to report to the Committee on the effectiveness of the management of ASC's material business risk exposures including assurance and audit activities undertaken which may affect ASC's risk profile.
- g) Evaluate the adequacy and effectiveness of ASC's risk management systems in minimising and managing ASC's material business risk exposures.
- h) Review and make recommendations on the strategic direction, objectives and effectiveness of the Group's risk management policies.
- i) Review management's process concerning the implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives, as well as monitoring compliance with existing laws, and regulations in order to assess and evaluate the potential impact on the strategy and business objectives of the Group.

Management is responsible for the preparation, presentation and integrity of information and all matters about which the Committee should be informed. Management is responsible for implementing and maintaining appropriate risk management principles, policies, procedures and internal control systems designed to identify and address material risks consistent with the risk management framework as determined by the Committee.

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## GROUP BUSINESS ASSURANCE AND SECURITY COMMITTEES

The Business Assurance and Security Committee is also responsible for:

- a) Reviewing and approving the charter of any non-Board committee dealing with business assurance (including risk management), security and compliance within the Group (including, without limitation, the Executive Risk Management Committee Charter).
- b) Receiving and reviewing reports from any such committee.

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## OTHER RESPONSIBILITIES

The Business Assurance and Security Committee is also responsible for assessing and recommending to the Board for adoption the scope and cover of insurance (with the cost of insurance being a matter for the Audit Committee).

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## BUSINESS ASSURANCE AND SECURITY COMMITTEE COMPOSITION

The Business Assurance and Security Committee must comprise at least three non-executive directors.

The Business Assurance and Security Committee will appoint its chairman, who may not be the Chairman of the Board.

The Company Secretary is secretary of the Business Assurance and Security Committee.

The Business Assurance and Security Committee must be of sufficient size, independence and technical expertise to discharge effectively its mandate.

Each member of the Business Assurance and Security Committee should have an understanding of the industry in which the Group operates.

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## BUSINESS ASSURANCE AND SECURITY COMMITTEE MEETINGS

The Business Assurance and Security Committee will meet as often as it considers necessary but at least three times a year.

A quorum for a Business Assurance and Security Committee meeting is two Business Assurance and Security Committee members.

Business Assurance and Security Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place.

A member who is not physically present but participating by technological means is taken to be present.



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The Business Assurance and Security Committee may pass or approve a resolution without holding a meeting in accordance with the procedures (so far as they are appropriate) in Section 248A of the *Corporations Act 2001*.

The Business Assurance and Security Committee may invite other persons it regards appropriate to attend its meetings.

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### **MINUTES OF BUSINESS ASSURANCE AND SECURITY COMMITTEE MEETINGS**

The Business Assurance and Security Committee must keep minutes of its meetings.

The chairman of the Business Assurance and Security Committee must report to the Board on its proceedings at the next Board meeting.

Minutes of each Business Assurance and Security Committee meeting must be included in the papers for the next full Board meeting after the Business Assurance and Security Committee has approved those minutes.

Minutes must be distributed to all Business Assurance and Security Committee members, after the Business Assurance and Security Committee chairman has approved them.

Minutes, agenda and supporting papers are available to directors upon request to the Company Secretary, except if there is a conflict of interest.

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### **REPORTING TO THE BOARD**

The Business Assurance and Security Committee chairman must report the Business Assurance and Security Committee's findings to the Board at the next regularly scheduled Board meeting.

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### **ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

The Business Assurance and Security Committee may seek any information it considers necessary to fulfil its responsibilities.

The Business Assurance and Security Committee has access to:

- a) Management (including the CEO and/or CFO) to seek explanations and information from management.
- b) Internal and external auditors to seek explanations and information from them, without management being present.

The Business Assurance and Security Committee may seek professional assistance from employees of the Group and may engage appropriate external advisers (on ordinary commercial terms), at ASC's cost. The Business Assurance and Security Committee may meet with these external advisers without management being present.



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## REVIEW AND CHANGES TO THIS CHARTER

The Business Assurance and Security Committee will review and assess the adequacy of this charter annually or as often as it considers necessary.

The Board may change this charter from time to time and submit any proposed revisions to the Board for consideration and approval.

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## SELF-ASSESSMENT

The Business Assurance and Security Committee will periodically assess whether the purpose, authority and responsibility, as defined in this charter, continue to be adequate to enable the Business Assurance and Security Committee to accomplish its objectives. The result of this periodic assessment will be communicated to the Board.