



Sundaraj & Ker

# Risk & Compliance Committee charter

**Teaminvest Private Group Limited**  
ABN 74 629 045 736

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Sundaraj & Ker ABN 20 622 278 700

Office: Level 36, Australia Square, 264 George Street, Sydney NSW 2000

Web: [www.sun.law](http://www.sun.law)

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## 1 Objective

Teaminvest Private Group Limited ABN 74 629 045 736 (“TIP Limited”) endeavours to hold itself to standards of corporate governance appropriate for an entity of its size and nature. Over many years, prior to the listing of TIP Limited, Teaminvest Private developed a unique and rigorous approach towards risk, compliance and governance that goes beyond corporate governance recommendations and seeks to set the standard for transparency, ethics and commercial results. The board of TIP Limited (“Board”) has adopted this approach. The Board’s aim is to continually improve TIP Limited’s practices in TIP Limited’s approach towards all stakeholders, and the continued protection and growth of shareholders’ capital.

The Risk & Compliance Committee (the “RCC”) of TIP Limited exists to continuously review the risk, compliance framework and corporate governance policies of TIP Limited’s Portfolio Companies (the “Group”) to inculcate and improve operations. It will be charged with:

- (a) diligently evaluating and quantifying potential risks to the Group;
- (b) proposing practical risk mitigation and governance strategies to the Board for broader adoption by the Group;
- (c) analysing the Group’s compliance framework and procedures; and
- (d) proposing practical compliance improvements to the Board for broader adoption by the Group.

This policy document sets out the role, responsibilities, function and reporting of the RCC.

## 2 Administration

### 2.1 Membership

The RCC will comprise a maximum of seven (7) members made up of the CFO of TIP Limited who will act as Chairperson, and six (6) other Selected Shareholders appointed by the Board.

To preserve independence, it is not considered appropriate that a director of TIP Limited serve on the RCC.

The Board should select membership of the RCC with regard to the experience of the member, depth of their involvement as a Selected Shareholder, professional qualifications, roles previously or currently held within the Group and diversity of background such that the RCC can function properly in its role.

For the purpose of TIP Limited’s securities trading policy, membership to the RCC will classify a member as an “insider” who possesses “inside information” and require the member to be bound by TIP Limited’s trading restrictions.

The composition of the Committee will be evaluated annually by the Board.

### 2.2 Chair

The Chairperson will preside at meetings of the RCC. If the Chairperson is not present at an RCC meeting, the members must elect another member to act as Chairperson for that meeting.

The role of the Chairperson is to:

- (a) determine the agenda for meetings of the RCC in conjunction with the Board;
- (b) chair meetings of the RCC and take reasonable steps for the proper functioning of the RCC, including the proper conduct of meetings and an appropriate level of discussion;
- (c) take reasonable steps regarding the adequate flow of relevant information to the RCC;
- (d) take reasonable steps to advise the Board on the RCC’s recommendations on matters falling within the scope of the RCC’s responsibilities; and
- (e) review the minutes of meetings of the RCC for circulation to and approval of the RCC and sign the approved minutes.

### **3 Meetings**

#### **3.1 Frequency of meetings**

The RCC will meet as often as the RCC members deem necessary to fulfil its role but, in any event, no less than once per quarter.

In addition, the Chairperson is required to call an RCC meeting if requested to do so by the CEO or Board.

#### **3.2 Attendance by non-members**

Members of management and/or parties external to TIP Limited may be invited to attend any RCC meeting or part thereof subject to the invitee not having a material personal interest in the matter of the RCC being considered. Non-members of the RCC may be asked to withdraw from all or any part of a meeting.

#### **3.3 Meetings other than in person**

Where deemed appropriate by the Chairperson, meetings may occur via conference call or other electronic means and approvals and recommendations may occur via written resolution in accordance with TIP Limited's constitution.

#### **3.4 Secretary**

One member of the RCC will be appointed to act as secretary of the RCC. The RCC secretary will be responsible for keeping the minutes of the meetings of the RCC (except when the RCC is in closed session) and circulating them to the Chairperson for review, and the other RCC members, Board and other RCC attendees as appropriate.

#### **3.5 Quorum**

A quorum shall consist of at least three members.

### **4 Risk mitigation**

#### **4.1 Mission**

The RCC is charged with reviewing, developing and overseeing the implementation of practical and effective Group risk mitigation strategies. It forms an important mechanism for the Group to diligently manage potential risks outside the Portfolio Company framework.

#### **4.2 Scope**

The scope of the RCC with respect to the Groups' risk mitigation is to:

- (a) review risks to the Group;
- (b) evaluate the potential likelihood of that risk occurring;
- (c) determine the potential impact on the Group if the risk occurred; and
- (d) develop proposals for mitigation (including recommendations to change behaviour, adopt policies or take out insurance) that are value positive.

#### **4.3 Determining whether an action is value positive**

In determining whether a proposed action is value positive, the RCC will use the following framework:

If:

- (a) Cost of Mitigation is less than Likely Impact, implement; or
- (b) Cost of Mitigation is greater than or equal to Likely Impact, do not implement,

where:

- (c) Cost of Mitigation will be calculated as: Dollar costs associated with the project + (hours required to review, implement and police \* \$100);

Note: Cost of Mitigation is to be calculated for ten years. It should include the cost of implementation, and also the cost

and time of maintaining and policing the action to the appropriate standard such that it delivers the mitigation intended for a period of ten years (i.e. same period as the risk is being assessed for). There is no point implementing a policy and then not maintaining it to the standard required to provide the intended protection.

- (d) Likely Impact = likely risk \* potential damage;
- (e) Likely Risk = probability that the risk occurs in the next ten years; and
- (f) Potential Damage = impact on the Group if the risk occurs (estimated loss).

## **5 Compliance**

### **5.1 Mission**

The RCC is charged with fostering and improving the culture of compliance with all laws, codes of practice and regulations applicable to the Group. It forms an important part of TIP Limited's compliance review framework and is the body to which each the Group regularly reports on compliance matters.

### **5.2 Scope**

The scope of the RCC with respect to compliance is to:

- (a) receive regular updates from Portfolio Companies with regards to their compliance framework and actions;
- (b) considering any new, or updates to, laws and regulations that relate to the Group;
- (c) monitoring the extent of compliance by the Portfolio Companies to their compliance requirements; and
- (d) providing advice and recommendations to the Board on improvements to the compliance framework for adoption by the Group or a particular Portfolio Company.

### **5.3 Compliance reporting**

In order for the RCC to adequately discharge their duties with respect to compliance, the following reports shall be provided by the Group to the RCC in March and September:

- (a) a summary of its existing compliance framework;
- (b) copies of all compliance and risk registers;
- (c) copies of any training registers outlining all training undertaken during the quarter;
- (d) a copy of the financial audit findings and steps taken to remedy any issues; and
- (e) a copy of the WH&S audit findings and steps taken to remedy any issues.

### **5.4 Breach reporting**

- (a) All compliance breaches or suspected breaches will be recorded by each Portfolio Company. The record will include any steps taken to remedy the breach or potential breach and any further actions to mitigate reoccurrence.
- (b) The record will be provided to the Chairman of the RCC as soon as possible, but in any case, within 2 Business Days. The RCC will, where deemed necessary, advise the Board as to whether a report is required to be submitted to ASIC or other relevant authorities.
- (c) The RCC will maintain a record of all breach reports that it has been notified of.
- (d) The Portfolio Company will remain responsible for the remediation of the breach. However, the Portfolio Company may be directed by the RCC as to remedial actions to be taken.

### **5.5 Compliance reviews**

- (a) The RCC will review the Group's policies and procedures on a semi-annual basis after receiving the semi-annual reports from each Portfolio Company. Any proposed amendments will be recommended to the Board for approval prior to implementation.

- (b) The RCC may at its discretion undertake a review of the compliance functions and implementation by the Group or a particular Portfolio Company.
- (c) The RCC will record the findings of any compliance reviews.

## **6 Power of the RCC**

The RCC will have the power to:

- (a) review and evaluate any potential risk to the Group;
- (b) review and evaluate the Group's compliance framework and its implementation;
- (c) request information from the Group's personnel and engaged parties (internal and external);
- (d) request documentation (via TIP Limited) to enable the RCC to effectively undertake their role;
- (e) seek independent professional advice for company related matters at TIP Limited's expense, subject to the estimated costs being approved by the RCC Chairperson, in advance, as being reasonable; and
- (f) recommend the adoption of appropriate mitigation strategies to the Board.

However, the ultimate decision to adopt or reject a risk mitigation strategy will remain with the Board.

## **7 Periodic review**

The RCC has the responsibility to:

- (a) review this Charter periodically and recommend any proposed changes to the Board for approval;
- (b) conduct a periodic, but at least annual, evaluation of the Committee's performance and the extent to which the Committee has met this Charter; and
- (c) review any other relevant risk management and compliance guidelines as appropriate.

## **8 Reporting**

The RCC reports directly to the Board and is a key step in the diligent development, implementation and continual improvement of an appropriate Group risk and compliance framework.

The RCC is to keep a register of all risks examined and the findings reached. The RCC will also separately maintain a register of all compliance breaches or potential breaches and remediation steps. A brief report of risk and compliance matters, including the registers and a relevant summary of any key findings and material matters, is to be tabled at every regular TIP Limited board meeting.

The RCC, through the RCC Chairperson, is to advise and make recommendations to the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers, and written or oral reports at TIP Limited's board meetings. TIP Limited must not act on the advice of the RCC unless it is approved by the Board.

## **9 Decision making**

For the avoidance of doubt, the Board may overrule the RCC on any matter and may make any decision or undertake any action notwithstanding any advice, recommendation or decision to the contrary made by the RCC.