



Australian Government
Australian Reinsurance Pool Corporation

Risk Committee Charter

September 2024



1. Introduction

The Australian Reinsurance Pool Corporation (ARPC) is a Corporate Commonwealth Entity established under the Terrorism and Cyclone Insurance Act 2003 (TCI Act) and operates under the provisions of both the TCI Act and the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

The ARPC Accountable Authority, which is the Board, has established an Audit and Compliance Committee in compliance with section 45 of the PGPA Act and section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). The Board has established a Risk Committee (Risk Committee) to support the governance of risk. Collectively the Audit and Compliance Committee and the Risk Committee establishes ARPC's systems of risk oversight and control meeting the legislative obligations of the Board under the PGPA Rule.

This charter sets out the Risk Committee's role and responsibilities and its administrative arrangements.

2. Objectives

The Board retains accountability for the overall governance of ARPC. The Risk Committee's role is to assist the Board in the effective discharge of its responsibilities in relation to risk management including:

- risk management policies and frameworks, ensuring that they remain appropriate to the size and complexity of ARPC and are consistent with ARPC's Corporate Plan, and
- identification, assessment and management of risk (both financial and non-financial risks) in accordance with those policies and frameworks and within Board approved risk appetite settings.

The Risk Committee acts in an advisory capacity and reports directly to the Board regarding its activities set out in this charter. The Risk Committee has no delegated or decision-making authority from the Board, unless expressly set out in this charter.

3. Role and Responsibilities

The Risk Committee has the following responsibilities:

- review and monitor the effectiveness of the risk management framework,
- review and recommend to the Board ARPC's risk appetite and management of risk appetite,
- review and monitor ARPC's risk profile, risk maturity and management actions including:
 - ARPC's performance against the operation of the Risk Management Policy,
 - assessment of key current and emerging risks exposures,
 - actions to manage risks within risk appetite,
 - actions to strengthen risk management practices including control environments, and
 - actions to address significant risk incidents including lessons learned and systemic issues.
- review and monitor management's assessment of risk culture and actions to ensure a sound risk culture is maintained
- review and monitor ARPC's work, health and safety, business continuity, fraud and corruption arrangements, and
- review and monitor the adequacy of ARPC's information security arrangements.



In carrying out its role, the Risk Committee may review and investigate any matter, or any matter referred to it by the Board, within the scope of this charter and make recommendations to the Board in relation to the outcomes of the review or investigation.

4. Authority

The Board authorises the Risk Committee, within its responsibilities to:

- obtain any information it requires from any official or external party (subject to any legal obligation to protect information),
- discuss any matters with other external parties, where appropriate (subject to confidentiality considerations),
- request the attendance of any ARPC official, including Members of the Board, at Risk Committee meetings, and
- obtain legal or other professional advice at the entity's expense, as considered necessary to meet its responsibilities.

5. Structure and Membership

5.1 Composition

The Risk Committee consists of at least three Members, all of whom are to have appropriate qualifications, skills or experience, and are appointed by the Board. All other Members may attend Committee meetings as observers.

At least one member of the Risk Committee must be a member of the Audit and Compliance Committee.

The Board will appoint the Risk Committee Chair. The Risk Committee Chair cannot be the Board Chair.

The Risk Committee can appoint an acting chair in the absence of the Risk Committee Chair.

The Chief Executive, Chief Financial Officer, Chief Risk Officer, Chief Operating Officer Company Secretary and internal auditor are standing invitees to committee meetings. Other management representatives may attend meetings as determined between the Chief Executive and Risk Committee Chair. All invitees attend as advisers or observers but are not members of the Risk Committee.

Membership of the Risk Committee is reviewed periodically (but at least every three years) by the Board with the aim of achieving an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience.

If a Risk Committee member for any reason ceases to be a Board Member, that member immediately ceases to be a Risk Committee member. Risk Committee members wishing to resign from the Risk Committee must provide a written resignation to the Chair of the Board. The Board will appoint a successor in a timely manner, so that the Risk Committee remains constituted.



5.2 Role and Responsibilities of the Committee Chair and Committee Members

The Risk Committee Chair is responsible for:

- the conduct of all Risk Committee meetings including (in consultation with management) setting the agenda and ensuring that agenda items and the forward plan align with the Risk Committee's responsibilities, and
- facilitating the effective contribution of all Risk Committee members.

5.3 Meeting Operations

The Risk Committee will meet at least three times per year. Additional meetings may be convened, if deemed necessary, by the Risk Committee Chair to meet any specific requirements of the Risk Committee.

Secretariat support is provided to the Risk Committee by the Company Secretary of ARPC. The secretariat will ensure the agenda for each meeting is approved by the Risk Committee Chair, the agenda and supporting papers are circulated as required, and the minutes of the meeting are prepared and maintained.

5.4 Declarations of Interest

At the beginning of each Risk Committee meeting, committee members are required to declare any material personal interests that may apply to specific matters on the meeting agenda in accordance with the Board Conflicts of Interest Policy.

Where required, a committee member will be excused from the meeting or from the Risk Committee's consideration of the relevant agenda item(s).

5.5 Quorum and Voting

A quorum will consist of at least two members of the Risk Committee in attendance at the same time, including via telephone or video conferencing. A quorum must be in place at all times during the meeting.

Each committee member has one vote and the Risk Committee Chair does not have a second or casting vote. A question is decided by a majority of the votes of the committee members present and voting.

Where a resolution is unable to be met during a Risk Committee meeting, an out of session circular resolution may take place, organised by the Secretariat and the Risk Committee Chair. A resolution is taken to have been passed if the majority of committee members indicate agreement with the resolution and that majority would have constituted a quorum at a meeting of the Risk Committee.

5.6 Reporting and Review

The Risk Committee Chair, or their nominee will report to the Board after each meeting of the Risk Committee regarding its activities.

The minutes of each Risk Committee meeting must be included in the papers for the next scheduled Board meeting following approval by the Risk Committee Chair.

The Risk Committee Chair, in consultation with the Chair of the Board, will initiate a review of the performance of the committee at least annually. The review is conducted on a self-assessment basis (unless otherwise determined by the Board), with appropriate input sought from all relevant stakeholders, as determined by the Chair of the Board.

In consultation with the Board, the Risk Committee will review the committee charter at least once every three years. Any substantive changes to the charter are to be recommended by the Risk Committee to the Board for approval.

5.7 Access to Officers

The Chief Risk Officer has direct and unrestricted access, to the Risk Committee Chair in order to fulfil their respective roles and functions.

6. Key related documents and Version Control

Key documents related to this Charter include:

- Board Charter
- Audit and Compliance Committee Charter

Version Control table

Date	Versio	Author	Summary of changes/circulated to/approved by
September 2024	1.0	Company Secretary	Creation of Risk Committee Charter.

