

## RISK COMMITTEE CHARTER

### 1. Background

Although Heemskirk Consolidated Limited has had an Audit Committee in place since inception to review financial matters, it was considered necessary to establish an additional committee to review and monitor other aspects of the Company's activities that may represent a risk to performance. Risk management is an integral part of good management practice and an essential element of good corporate governance.

### 2. Role

The Risk Committee is responsible for undertaking a broad review, monitoring compliance and making recommendations to the Board in respect of any significant risks faced by the Company. These risks may be operational, technical, financial, legal, social, environmental, humanitarian, health and safety or any other issue which poses a significant threat to the viability of the Company.

### 3. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than two members, one of whom must be non-executive. A quorum shall be two members.

The Chairman of the Committee shall be appointed by the Board.

The Company Secretary shall be the secretary of the Committee.

### 4. Authority

The Committee is authorized by the Board to investigate any activity within its Terms of Reference. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary with the scope of its duties.

### 5. Duties

The specific duties of the Committee shall be:

- a. Oversee the establishment of a risk management culture in Heemskirk, and the development by staff of a risk management policy, plan and support arrangements of the following:

- A Risk Management Plan that includes risk identification, risk analysis and risk evaluation. Risk can be both – ve (elimination of losses or undesired outcomes) and +ve (identification and prioritization of opportunities).
  - The qualitative assessment of the level of risk in terms of **likelihood** of occurrence (e.g. rare, unlikely, likely, almost certain) and **consequence** (e.g. negligible, minor, moderate, major, severe).
  - Preparation and implementation of plans to treat risk areas.
  - Implementation of a plan for rapid response to emergency.
- b. On an annual basis, to undertake a thorough review of the Company's risk management activities by way of Director's Questionnaires on key areas of risk e.g. environmental, legal, safety, tenement security, information technology, insurance, personnel, technical etc. it is anticipated that this would be conducted prior to the publication of the Company Annual Report.
- c. Review Compliance with relevant Company policies.
- d. Consider other topics as defined by the Board.

## **6. Attendance and Meetings**

In addition to Committee members, the Managing Director and General Manager Operations shall normally be invited to attend meetings.

The Chairman of the Committee may extend invitations to other attendees as appropriate.

## **7. Frequency of Meetings**

Meetings shall be held not less than two times a year in conjunction with financial results (February and August). The major review of Company risk would be held in August. Other meetings may be called if required for urgent business.

## **8. Reporting Procedures**

The Company Secretary shall distribute the minutes of meetings of the Committee to all members of the Board. All members of the Board should also receive the risk Committee paper for each meeting.