

Risk Management Committee Terms of Reference

1. Objectives

The Board Risk Management Committee's objective is to oversee the Group's risk management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal guidelines and external requirements.

2. Membership

- (i) The Committee shall comprise not less than three Non-Executive Directors;
- (ii) The Committee shall appoint one of its Non-Executive members as Chairperson of the Committee.
A quorum will be two Non-Executive Directors.

3. Meetings

- (i) Meetings of the Committee shall be held at least four times per year in each calendar quarter.
- (ii) The Chairperson will call a meeting of the Board Risk Management Committee if so directed by the Board

The Chairperson will call a meeting of the Board Risk Management Committee if so requested by any Committee Member or the Chief Executive Officer.

4. Responsibility and Duties of the Board Risk Management Committee

- (a) The Board Risk Management Committee shall consider any matters relating to the identification, assessment, monitoring and management of risks associated with the operations of the Group that it determines to be appropriate. In addition, the Board Risk Management Committee shall examine any other matters referred to it by the Board;
- (b) The duties of the Board Risk Management Committee shall include:
 - (i) assessment and monitoring of all risks associated with the operations of the Group;
 - (ii) development and implementation of internal compliance and control systems and procedures to manage risk
 - (iii) assessment and monitoring of the effectiveness of controls instituted;
 - (iv) to review and make recommendations to the Board in relation to risk management;

- (v) to consider, and make recommendations to the Board in connection with, the compliance by the Group with its Risk Management Strategy.
 - (vi) to report to the Board on any material changes to the risk profile of the Group.
 - (vii) to monitor and refer to the Board any instances involving material breaches or potential breaches of the Group's Risk Management Strategy.
 - (viii) to report to the Board in connection with the Group's annual reporting responsibilities to the Australian Prudential Regulation Authority in relation to matters pertaining to the Group's Risk Management Strategy.
 - (ix) to undertake an independent review on an annual basis, in accordance with GPS 220, of the Group's risk management framework and to make recommendations to the Board in connection with changes required to be made to the Group's Risk Management Strategy.
 - (x) To monitor the risks associated with all material outsourcing agreements, including:
 - Reviewing and approving risk management policies for outsourcing.
 - Reviewing compliance with Calliden's Outsourcing policy.
 - Ensuring that external and internal audit functions address outsourced arrangements and that the external auditor's report comments on compliance with Calliden's Outsourcing policy.
 - (xi) to monitor compliance with the Group's Reinsurance Management Strategy, including:
 - considering Calliden Limited's reinsurance arrangements in detail and making recommendations to the Board in connection with the Board's approval of such reinsurance arrangements.
 - reviewing the annual reinsurance report brought forward by the CEO which underpins the Board declaration to APRA.
 - approving the annual timetable for reinsurance renewals.
 - notifying the Board immediately of any issue or problem arising in connection with Calliden Limited's reinsurance arrangements which is likely to materially affect Calliden Limited's current or future ability to meet its obligations.
- (c) The Board Risk Management Committee shall have the authority to seek any information it requires from any officer or employee of the company or its subsidiary companies and such officers or employees shall be required to respond to such enquiries.
- (d) The Board Risk Management Committee is authorised to take such independent professional advice as it considers necessary;
- (e) The Board Risk Management Committee shall make recommendations to the Board but shall have no executive powers with regard to its findings and recommendations.

5. Standing Orders

The Company Secretary in consultation with the Chief Executive Officer and the Committee Chairperson, shall draw up an agenda which shall be circulated at least one week prior to each meeting to the Committee Members and all Directors;

- (ii) All Directors shall receive notice of, and are invited to attend all meetings of the Committee whether or not they are Members of the Committee;
- (iii) The Committee Chairperson may require the attendance of any officer of the company at any part of any meeting; and
- (v) The Company Secretary shall ensure that proper minutes are kept of each meeting for approval by the Committee.
- (vi) The Chairperson of the Board Risk Management Committee shall report the proceedings findings and recommendations and provide the minutes of each meeting of the Committee to the Board of Directors at the next scheduled Board Meeting.
- (vii) These Terms of Reference shall be reviewed annually by the Board of Directors

A copy of these Terms of Reference shall be posted on the Company's website and be available to shareholders on request.