



JOHNS LYNG GROUP
BUILDING AUSTRALIA

Risk and Compliance Committee Charter

**Johns Lyng Group Limited ACN 620 466 248
(Company)**

Risk and Compliance Committee Charter

1. Definitions

ASX means ASX Limited.

Board means the Board of Directors of the Company.

Charter means this charter of the Committee.

Committee means the Risk and Compliance Committee of the Board.

Company means Johns Lyng Group Limited ACN 620 466 248.

Constitution means the constitution of the Company as amended from time to time.

Directors means the directors of the Company.

Listing Rules means applicable rules and regulations of the ASX.

2. Establishment of the Committee

This Charter sets out the basis on which the Board has established the Committee.

3. Role of the Committee

The Committee's role is to assist the Board in fulfilling its oversight responsibility in relation to:

- a) the Company's systems of internal controls, management of risk and compliance obligations; and
- b) the effectiveness of the practices of the Company concerning work health and safety.

It does this having regard to relevant laws and regulations and best practice governance standards.

The objectives and purposes of the Committee are:

- (a) to promote a culture of compliance at all levels of the Company;
- (b) to ensure effective communication between the Board and senior compliance management through the maintenance of open communication channels among the Committee, management and, where appropriate, external advisers; and
- (c) to ensure appropriate compliance and work health and safety information is provided to the Board.

4. Duties and responsibilities

Without limiting section 3 above, the duties and responsibilities of the Committee include:

Risk management and internal control systems

- a) reviewing and making recommendations to the Board on the Company's risk profile, including assessing and prioritising the Company's key operational, strategic and emerging risks;
- b) assessing the adequacy and effectiveness of the Company's risk management framework to satisfy itself that it continues to be sound;
- c) reviewing and assessing the adequacy and effectiveness of risk management

- reporting;
- d) reviewing and approving the adoption and structure of the Company's insurance program;
- e) regularly reviewing and approving policies and procedures on risk oversight and management to establish an effective and efficient system for:
 - (i) identifying, assessing, monitoring and managing risk; and
 - (ii) disclosing any material change to the Group's risk profile;
- f) reviewing any breaches of Company policies or applicable regulations;

Compliance

- g) monitoring and reviewing the Company's compliance obligations (including its legal, regulatory and Listing Rules obligations and assessing and prioritizing the areas of greatest risk), compliance processes, policies and procedures, significant and material breaches and compliance projects;
- h) reviewing and making recommendations to the Board relating to the Company's policies and procedures relevant to the Committee's responsibilities, to ensure compliance with relevant laws, regulations and best practice corporate governance processes and effective management of risks;

Health, Safety and Environment (HSE)

- i) understanding the HSE hazards and risks associated with the Company's operations;
- j) reviewing information that reports on the Company's performance in relation to HSE obligations;
- k) ensuring that the Company has in place a HSE framework and that appropriate resources are in place to support this framework;
- l) monitoring the effectiveness of the Company's HSE framework for identifying, reporting and addressing HSE incidents, hazards and risks associated with the Company's operations; and
- m) reviewing significant changes to HSE legislation and policies which form part of the Company's health and safety management system and framework.

5. Membership of the Committee

- (a) The Committee should comprise:
 - (i) at least three Directors;
 - (ii) all non-executive Directors;
 - (iii) a majority of independent Directors.
- (b) The Managing Director, Chief Financial Officer and Chief Operating Officer will be standing invitees of each meeting of the Committee.
- (c) The Chair of the Committee (including a Chair elected under section 6.4):

- (i) will be elected by, and hold office for the period determined by the members of the Board; and
- (ii) must be a member of the Committee.

6. Proceedings

6.1 Frequency

- (a) The Committee will meet as frequently as required but must not meet less than three times a year.
- (b) The Chair must call a meeting of the Committee if requested to do so by any Committee member, or by the Company's Managing Director.

6.2 Notice and Committee Papers

- (a) The dates, times and venues of each meeting of the Committee will be notified by the Secretary to all members of the Committee a reasonable time in advance of the meeting.
- (b) Supporting papers for each meeting of the Committee will also be distributed by the Secretary to all members of the Committee a reasonable time in advance of the meeting. All Directors will receive a copy of the supporting papers for each meeting, irrespective of their membership of the Committee, unless the circumstances otherwise require (for example, due to a conflict of interest).

6.3 Meeting quorum

A quorum for a meeting of the Committee is two members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities powers or discretions vested in, or exercisable by, the Committee.

6.4 Chair of the meeting

- (a) In the absence of the Chair, the remaining members will elect one of their number as Chair of the meeting.
- (b) The Chair of the Committee has a casting vote in addition to their deliberative vote, except that the Chair must not exercise a casting vote at any meeting at which only two of the Committee members who are present are entitled to vote.

6.5 Minutes

Minutes of meetings of the Committee will be distributed to members for confirmation as soon as practicable and, after confirmation, distributed to all Directors unless a conflict of interest exists.

6.6 Attendance by other persons

- (a) Any Director may attend Committee meetings.
- (b) Subject to contrary direction from the Committee, the following people may attend Committee meetings:
 - (i) the Company Secretary;
 - (ii) and
 - (iii) others deemed appropriate by the Committee from time to time.

7. Independent advice and access to information

- (a) The Committee is entitled to obtain external legal or other independent professional advice, and to seek the attendance of such advisers at meetings if it is considered necessary.
- (b) The Committee is authorised to seek any information it requires from any Company employee or from any other source.

8. Reporting

- (a) The Chair of the Committee (or a person nominated by the Chair of the Committee for that purpose) must report to the Board on the Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities.
- (b) The Chair of the Committee must attend the Annual General Meeting and be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

9. Review

The Board will, at least once in each year, review the membership and charter of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

10. Approval

This Charter was approved and adopted by the Board on 12 August 2021.