



Alpha **HPA**

Risk and Sustainability Committee Charter

RISK & SUSTAINABILITY MANAGEMENT COMMITTEE CHARTER

Alpha HPA Limited (ABN 79 106 879 690) (Company)

1. Objectives

The Risk & Sustainability Committee (**Committee**) has been established by the board of directors (**Board**) of the Company. The objectives of the Committee are to:

- assist and advise the Board on all matters pertaining to the Sustainability of the Company and group level risk appetite, risk management, and mitigation of all material risks arising from the Company's activities;
- oversee the Company's risk management systems, sustainability programs and mitigating controls on behalf of the Board and regularly providing a report of its activities to the Board;
- assist the Board in monitoring compliance with laws and regulations and the Company's Code of Conduct as it relates to risk and sustainability;
- assist the Board to adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business as it relates to risk and sustainability;
- assist the board in reporting and compliance with its published sustainability targets.

In relation to matters related to financial risk management, the Risk and Sustainability Committee will seek to coordinate its activities with the Audit and Finance Committee where appropriate. To facilitate this, copies of relevant papers may also be provided to the Audit and Finance Committee for information from time to time and the Chair of the Risk and Sustainability Committee will liaise with the Chair of the Audit and Finance Committee on an ongoing basis to ensure that material matters related to financial risk and risk management are being considered by the appropriate committee.

2. Authority

The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is authorised to:

- retain outside counsel, or other experts, at the expense of the Company, to advise the Committee or assist in the conduct of any matter;
- seek any information it requires from employees (all of whom are directed to cooperate with the Committee's requests) or external parties; and
- meet with Company officers, employees, external auditor, internal auditor (if any) or outside counsel, as necessary and without management present.

The Committee will make recommendations to the Board on all matters requiring a decision from the Board. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf.

3. Membership

Members of the Committee shall comprise members of the Board appointed by the Board.

The number of members of the Committee shall be a minimum of four directors, at least two of whom shall, where practicable, be non-executive directors.

All members of the Committee shall have a sufficient understanding of the industry in which the Company operates.

The Board will nominate the Chair of the Committee from time to time. The Committee Chair will be, where practicable, an independent director who is not Chair of the Board.

4. Committee Meetings

Meetings shall be held as required but not less than twice a year. Any member of the Committee may request a meeting at any time if they consider it necessary.

A quorum of the Committee will comprise three members. However, all members of the Committee are expected to attend and participate in Committee meetings.

If the Committee Chair is absent from a meeting and no acting chair has been appointed, the Committee members present may choose one of them to act as chair for that meeting.

Non-Committee members may be invited by the Committee Chair to attend meetings of the Committee.

Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.

Each member of the Committee will have one vote.

The Committee Chair will not have a casting vote. If there is a tied vote, the motion will lapse.

Following each meeting, the Committee Chair will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action, and provide the Board with sufficient information upon which to make a decision in that regard.

Minutes of meetings of the Committee will be prepared for approval by the Committee and be circulated to the members of the Board.

The Company Secretary will provide such assistance as may be required by the Committee Chair including in relation to preparation of the agenda, minutes or papers for the Committee.

5. Responsibilities

The responsibilities of the Committee are as follows:

5.1 General Responsibilities

- The Committee will use all reasonable endeavours to understand the Company's business and operations to assess whether the operating risks and sustainability issues, including any consequential financial risks faced by the Company, have been identified, ameliorated or that appropriate mitigation plans have been implemented.
- The Committee will ensure appropriate management practices and assurance methodologies are adopted to inform the Board of the adequacies and effectiveness of the specific requirements outlined in this Charter. This will include, but not be limited to, ensuring appropriate escalation of material risks is occurring for authorisation.
- The Committee will review and monitor a sample of Significant Incident investigations and corrective actions for quality and investigative veracity.

5.2 Health, Safety, Environment and Social Responsibility

In assisting the Board, the Committee will use all reasonable endeavours to:

- Periodically visit the Company sites to observe and review Health and Safety standards, practices and performance and to monitor the processes in place which are designed to ensure that safety is a priority at all Company sites;
- Review and monitor the processes in place which are designed to ensure compliance with all Company Health, Safety, Environment and Social Responsibility Policies and Standards, and ensure continuous improvement of these processes
- Review and monitor the risk management processes and standards to ensure that all material Health, Safety, Environment and Social risks are identified, and that appropriate risk mitigation, controls and assurance processes are in place and effective.
- Monitor the adequacy of safety, environment and Social Responsibility reporting systems for actual or potential incidents, breaches and trends.
- Monitor relevant community perceptions of the Company as a consequence of its activities;
- Promote the benefits to the environment of the Company's technology compared to legacy processes, and the vision of zero harm to the environment from use of our technology;

- Promote the Company's initiatives to protect and conserve the environment through minimising and where practical, eliminating adverse impacts from carrying out our business, through recycling and the use of energy efficient technology and resources, particularly in relation to the consumption of electricity, water and materials;

5.3 Risk Management

- The Committee will provide oversight of the risk management framework, including systems and processes for effective management of operational, financial, compliance and other business risks;
- The Committee will ensure management has established and operates a risk management system which is designed to:
 - Identify, assess, monitor and manage operational risk;
 - Establish an overall Risk Profile of the Company's risks;
 - Escalate risks to the appropriate level of the organisation dependant on materiality;
- Ensure the current areas of major operational, financial, compliance and other business risks are monitored and regularly reviewed by the Committee and that management has put in place systems and processes to effectively manage the risks, having regard to the fact that responsibility of some of these matters may be allocated to other board committees from time to time;
- In assisting the Board, the Committee will use all reasonable endeavours to:
 - Liaise with the Audit Committee on risk management processes for the identification and management of material financial risks, these are the accountabilities of the Audit Committee.
 - Review any periodic risk management reports prepared by the executive management and present to the Board at least half yearly, the overall results of this assessment and updates as required;
 - Review and monitor the operational contingency planning and assurance processes within the Company to ensure all material risks and critical systems and processes are identified and that appropriate contingency plans are in place and are effective, and
 - Periodically review the effectiveness and suitability of the risk management system.

5.4 Legal and Regulatory Compliance Responsibility

The Committee will:

- Review and monitor the Company's policies, procedures and systems for detecting, reporting and preventing breaches of conduct, whistle-blowing, data breaches and bribery and corruption policies; and
- In conjunction with the Board and Audit Committee, use all reasonable endeavours to monitor the Company's compliance with:
 - All relevant statutory and regulatory obligations; and
 - All environmental licenses and permits.

6. Reporting Responsibilities

- The Chairman of the Committee shall report the findings and recommendations of the Committee to the Board after each Committee meeting.
- The minutes of all Committee meetings shall be circulated to members of the Board. All recommendations of the Committee are to be referred to the Board for approval.
- The Committee is to review all major health, safety, environment or community issues as notified or otherwise advised by Executive Management at its next meeting and report on its findings and recommendations, if applicable, to the Board in accordance with standard reporting protocol of the Committee.
- report annually to the Company's shareholders, describing the Committee's composition, responsibilities and how they were discharged and any other information required by law or the ASX Listing Rules;
- review any other reports the Company issues that relate to Committee responsibilities;

7. Other responsibilities

- Review the adequacy of external reporting by the Company to meet the needs of shareholders;
- perform other activities related to this Charter as requested by the Board;
- institute and oversee special investigations as needed;
- confirm annually that all responsibilities outlined in this Charter have been carried out; and
- evaluate the Committee's and individual members' performance on a regular basis.
- where a sustainability report is proposed to be published, (including if it is to be included in the Company's annual report), reviewing the report to be published.

8. Review of the Committee

The Committee will prepare and provide to the Board annually recommended changes or improvements to this Charter if necessary.

The Committee, in order to ensure that it is fulfilling its duties to the Company and its shareholders will periodically:

- obtain feedback from the Board on the Committee's performance and implement any agreed actions; and
- provide any information the Board may request to facilitate its review of the Committee's performance.

The Board shall review the performance of the Committee, at least once per year.

9. Revisions to this Charter

The Committee is responsible for reviewing the effectiveness of this Charter and the operations of the Committee. The Committee may recommend to the Board any changes or improvements to this Charter. Any amendments to this Charter must be approved by the Board.

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