

1. Introduction

The Charter outlines the roles, responsibilities, and composition of the Risk Committee (Committee) of the Board of Sunwater and the manner in which it discharges its responsibilities for Sunwater and its subsidiaries (Group).

2. Purpose

The primary purpose of the Committee is to provide objective review and oversight across the Group for all categories of risk, setting risk appetite and ensuring an appropriate enterprise risk framework that supports well planned and resilient business operations.

3. Role of the Committee

The Committee has been established to assist the Board in discharging its responsibilities on a range of matters relating to:

- The oversight and governance of enterprise risks impacting the Group
- The design, implementation, and operation of the Group’s Enterprise Risk Framework (ERF)
- Monitoring the risk appetite and assessing the overall risk profile of the Group
- Monitoring the effectiveness of the Compliance Management Framework (CMF)
- Risk culture and behaviours.

The Committee is responsible for overseeing risk and risk-related activities of the Group, other than those that are the responsibility of the Board or delegated to other Board Committees.

4. Responsibilities

The Committee is responsible for:

Role	Responsible For
Risk	<ul style="list-style-type: none"> • Overseeing the design, implementation, and operation of the Group’s Enterprise Risk Framework (including key controls), and reviewing reports on the ERF so that it continues to operate effectively within the risk appetite set by the Board • Reviewing and recommending to the Board for approval of, and changes to, the Risk Appetite Statement (RAS) and risk tolerances • Monitoring, and reporting to the Board on the Group’s current and future risk profile as assessed against the RAS and the implications of such assessment for either varying risk limits or recommended management actions • Monitoring, and reporting to the Board on new and emerging sources of risk and the controls and mitigating measures put in place to deal with those risks • Reviewing the risk treatment and mitigation procedures adopted by management including the procedures for periodic and critical reporting of matters to the Board and Risk Committee • Reviewing management’s implementation of the Group’s risk treatment and mitigations to assess effectiveness • Reviewing internal communication and control systems to encourage the timely flow of risk related information to the Group • Monitoring and reviewing issues that may impede the goals, objectives, and performance of the company • Receiving and reviewing reports from management or any Board Committee: <ul style="list-style-type: none"> ○ On any significant breaches of, or material deviation from, the ERF ○ On any material incident involving a break-down of risk controls, and

Role	Responsible For
	<ul style="list-style-type: none"> ○ Relating to the resolution of significant risk matters and incidents and monitoring management’s remediation plans. ● Constructively challenging management’s proposals and decisions on aspects of risk management and compliance matters arising from the Group’s activities ● Considering any information arising at, and referred by, the Audit Committee that affects the appropriateness or effectiveness of the ERF or management of risk ● Monitor all enterprise risks. In doing so, the Committee recognises the responsibilities delegated to other Committees by the Board and understands that the other Committees may emphasise specific risk monitoring through their respective activities ● Providing information to the Audit Committee in relation to any significant internal control matter where the control is inadequate or has not operated, or is not operating as intended, and could have a significant impact on the Group’s risk profile, including the ERF and risk appetite.
Compliance	<ul style="list-style-type: none"> ● Review and approve the Compliance Management Framework (CMF) ● Overseeing the framework implemented by management to effectively manage the Group’s compliance risks which is part of the ERF ● Reviewing reports from management on the effectiveness of the CMF for identifying, monitoring, and managing compliance with relevant obligations that may impact the material risk types ● Reviewing reports from management on the compliance processes that are in place to anticipate and effectively manage the impact of regulatory change on the Group’s operations
Insurance	<ul style="list-style-type: none"> ● Oversee the adequacy of the Group’s insurance program and making recommendations to the Board, having regard to the Group’s business needs and the insurable risks.
Risk & Compliant Culture	<ul style="list-style-type: none"> ● Guiding management to establish and maintain a sound risk and compliance culture and reporting to the Board on risk culture-related matters that affect the Group’s ability to operate consistently within its risk appetite, including any desirable changes to the risk and compliance culture.
Secretary	<p>The Company Secretary will be the secretary of the Committee and is responsible for:</p> <ul style="list-style-type: none"> ● In consultation with the Committee Chairman, preparing and sending notices of meetings and agendas to Committee members, and ● Recording and keeping minutes of Committee meetings and ensuring the preparation, distribution and confirmation of other Committee papers as required. ● The Company Secretary may, with the approval of the Board, appoint a Committee Secretary, to undertake these duties

5. Interaction with Other Committees

There are certain responsibilities that should be excluded from the Risk Committee and performed by other Committees of the Board.

However, matters relating to such responsibilities could assist the Risk Committee in its decision-making process on matters for which it is responsible. Similarly, matters relating to the responsibilities of the Risk Committee could assist other Committees in their decision-making process for matters for which they are responsible.

Accordingly, the Risk Committee Chairman may liaise with the Chairman of any other Board Committee in his or her discretion. For example: the Risk Committee Chairman may liaise with the Audit Committee

Chairman to assist the Audit Committee in its review of the Company’s financial risks or to organise and conduct joint meetings of the two committees on topics of common interest; or may liaise with the Safety and Culture Committee Chairman to assist the Safety and Culture Committee in its consideration of the Company’s enterprise risks as they relate to the Company’s health, safety and environment and remuneration policies and practices.

To maintain clarity of roles and to avoid conflict, certain responsibilities of the Risk Committee, Audit Committee and the Safety and Culture Committee are set out in the table below:

Responsibility	Accountable	Informed
Oversight of quality and integrity of financial statements	Audit	Risk
Oversight of compliance with legal, tax and financial regulatory requirements	Audit	Risk
Oversight of auditor qualifications and independence	Audit	Risk
Oversight of the performance of the internal audit function	Audit	Risk
Assessing the internal process for determining and managing fraud and theft risk and testing the integrity of the fraud control plan	Audit	Risk
Oversight of Effectiveness of CMF	Risk	Audit
Oversight of effectiveness of the ERM framework including: <ul style="list-style-type: none"> • Strategic and operational risks • Project risks • Referrable and non-referrable Dam safety risks • Seasonal preparedness and link to key asset risks • Information security risks • Reputational risks 	Risk	Audit
Oversight of HSE risks	Safety and Culture	Risk
Oversight of environmental and sustainability risks	Safety and Culture	Risk
Oversight of attraction and retention risks	Safety and Culture	Risk
Oversight of customer risks	Safety and Culture	Risk

6. Membership

The Committee shall consist of a least three directors appointed by the Board all of whom should be independent, Non-executive Directors.

At least one member of the Committee is to have experience in identifying, assessing and managing risk exposures for large infrastructure projects and between them, the membership is to have the necessary technical knowledge and sufficient understanding of dam safety to discharge its responsibilities.

A member of the Audit Committee will also be a member of the Risk Committee to assist with the flow of relevant information between the two Committees.

The Board may, subject to the consent of the shareholders, appoint outside experts to the Committee if it believes it is desirable to do so.

Committee members shall be appointed by the Board for such term as the Board considers appropriate.

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

Remuneration for Committee members and the Committee Chairman is as determined by the shareholding Ministers.

All members of the Board, not formally appointed to the Committee, have a standing invitation to receive meeting material and attend meetings of the Committee.

The CEO, CFO and the GM Governance Risk and Assurance have standing invites to attend Committee meetings but not as a member of the Committee. Other senior executives and senior staff may also attend Committee meetings as considered appropriate by the CEO and with the agreement of the Committee Chairman.

Committee members' appointments should be staggered so that a core of experienced members is retained.

7. Authority

Unless expressly delegated by the Board, the Committee does not have decision-making powers but acts on the direction of, and makes recommendations to, the Board.

The Committee has the authority to:

- Request, through the CEO, members of the Company's management to attend meetings and provide advice or information
- Access the Company's documents and records, and
- Appoint independent consultants and advisors, subject to Board approval.

8. Meetings and Procedures

The following shall apply regarding Committee meetings.

- The quorum for meetings shall be a minimum of two members.
- If the Committee Chairman is absent from any meeting of the Committee, the members of the Committee present will appoint a Chairman for that meeting.
- The Committee Chairman is required to call a meeting of the Committee if requested to do so by the Board or not less than two Committee members.
- In accordance with its role and responsibilities outlined in this document, the Committee should determine its own agenda.
- There is no formal voting procedure given the Committee doesn't have delegated decision-making authority. However, dissenting views of Committee members will be recorded in the minutes of the Committee meeting and reported by the Committee Chairman to the Board.
- The Committee will meet at least two times per year and at such additional times as the Committee considers necessary.
- Agendas and other papers for Committee meetings will be provided to Committee members at least five business days prior to the date set for the relevant Committee meeting.
- Papers will be brief and provide background information and discussion points upon which management wish to consult with the Committee.
- The Committee shall prepare an annual calendar outlining standard activities and events to be undertaken by the Committee each year.

9. Conflicts of Interest

The Directors' & Executives' Conflict of Interest Procedure applies to all proceedings of the Committee. In accordance with that policy, Committee members and Executives attending the meeting are required



to declare any interests that could constitute an actual, potential, or perceived conflict of interest with respect to their participation or attendance at the Committee. Such declarations must be made on a member’s appointment to the Committee and in relation to specific agenda items at the outset of each Committee meeting.

10. Reporting

- Minutes of Committee meetings shall be included in the Board papers for the next subsequent Board meeting.
- A report from the Committee Chairman outlining recommendations to the Board from the Committee will prepared and be included in the next subsequent Board meeting.

11. Review

- The Committee shall review at least every two years:
 - This Charter, and
 - The Committee’s performance assessed against its role and responsibilities.
 - Any outcomes from this review should be by the Committee to the Board for approval.
- A Board performance evaluation may specifically include an evaluation of the Committee.
- From time to time, the Board may review the structure, role and performance of Board Committees and make such changes as it considers desirable.

12. Approval and Review Details

Owner:	Board	Issue Date:	March 2021	Document No:	2605349
SME:	Company Secretary	Next Revision Date:	March 2023	Reference No:	BOD POL 12