

BUSINESS RISK COMMITTEE (BRC)

Charter



Magontec Limited
1.03/46a Macleay Street
Potts Point 2011
NSW AUSTRALIA

Approved by the Board of Directors on 3rd December 2020.

1. Purpose

1.1. The Board of Directors of Magontec Limited (“Magontec” or “the Company”) has constituted this Business Risk Committee (“BRC”) to assist the Board in fulfilling its oversight responsibilities with regard to business risk management (identification, tolerance and limits, mitigation practices and control mechanisms) and compliance with Company policy and relevant regulatory standards.

The BRC’s primary objectives are to oversee and review the following matters:

- a) Strategic and operational risks, which include but is not limited to, business, trading, and relevant regulatory risk; and
 - b) Compliance with applicable laws, regulations, policies and procedures.
- 1.2. This Charter sets out the responsibilities of the BRC, its membership and the manner in which its activities should be conducted.

2. Scope and Authority

The Board, within the scope of its own duties and responsibilities, delegates to the BRC, within the scope of its responsibilities, to:

- a) Engage independent legal advice and other advisors as it deems necessary to perform its duties, in accordance with the Company’s procedures pertaining to the engagement of external legal services.
- b) Ensure the attendance of Company officers at meetings as appropriate.
- c) Have unrestricted access to members of Management, employees and relevant information.
- d) Recommend to the Board new policies and procedures or amendments to existing policies and procedures of the Company, and approve policies in respect of business risk management, compliance and internal control of the Company.
- e) Delegate its powers and discretions to the Executive Team of the Company as considered appropriate, with the power to delegate further.

The BRC’s work does not relieve the Board from any of its responsibilities.

The BRC will interact with and seek advice and direction from other Board Committees as appropriate.

3. Membership

- 3.1. The BRC Membership will comprise 3 Directors, of whom at least 1 will be an independent Director
- 3.2. A quorum of any meeting will be two Directors
- 3.3. The Chairman of the Meeting will be elected by the Committee members
- 3.4. The Chairman of the BRC reserves the right to exclude a member or other invited attendee from attending a BRC meeting, on the basis that the BRC may deal with a sensitive matter which could relate to that particular member/attendee, or a matter concerning that member/attendee where there may be an actual or perceived conflict.

4. Attendance at meetings

- 4.1. The BRC may invite other persons to its meetings as it deems necessary including the Company Secretary and other relevant senior officers.
- 4.2. Meetings shall be held not less than two times a year.
- 4.3. Additional meetings may be convened as required by the Board or as determined by the BRC.
- 4.4. Meetings may be held by the members communicating with each other through any means by which they can participate in discussion even though they may not be physically present in the same place.
- 4.5. The Secretary of the BRC will be appointed by the Committee, unless the Board determines otherwise, and will take minutes of all meetings and keep records of all meetings held, papers submitted to meetings and recommendations made by the BRC.
- 4.6. Any matters requiring decision, will generally be decided by consensus, or if consensus is not achievable, then by a majority of votes of members present.
- 4.7. Any dissenting member of the BRC shall be entitled to have his/her opinion recorded in the minutes.
- 4.8. The BRC may pass or approve resolutions by circular resolution as required, in accordance with the Company's Constitution.

5. Responsibilities

The primary responsibility of the BRC is to oversee and evaluate the overall effectiveness of the Company's business risk management framework, systems for compliance and adequacy of internal controls.

Further, the BRC will ensure that Management has:

- a) identified and analysed the business risks facing the Company, including assessment and implementation of principles, policies, processes and controls to avoid, manage or mitigate those risks, and
- b) established policies and procedures to ensure, monitor and report on ongoing compliance with statutory and internal compliance obligations

6. Business Risk Management and Compliance

To achieve its business risk management and compliance responsibilities, the BRC will undertake the following:

Risk Management and Control Framework

- a) Identify and evaluate the significant risks that may impact on the achievement of Magontec's business objectives;
- b) Review the framework and methodology for identifying, evaluating, managing and mitigating and reporting business risks;
- c) Material business risks and review of progress against risk management plans and key performance indicators;
- d) Reports concerning expected or potential changes in the business, economic or regulatory environments, and assess the impact of such on Magontec's strategic plan and operations;
- e) Evaluate the ratings applied to business risks within the Risk Analysis document, taking into consideration any changes to Magontec's risk profile and the effectiveness of controls implemented (adjustments to Conceptual Risk Analysis Matrix);
- f) Review updates to the Risk Analysis and Risk Mitigation documents and recommend any changes for approval by the Board;
- g) Recommend new policies or amendments to existing policies of the Company that may be relevant to the effective management of business risk;

Operational Risks

- h) Control framework to manage and mitigate cyber security and data protection risks (Regional IT reports);
- i) Major project and capital expenditure risk reviews;
- j) Reports on the extent and adequacy of the Group's annual insurance program, as well as recommend insured and un-insured risk parameters (Company Secretary);

Anti-Bribery & Corruption

- k) Evaluate and if appropriate approve, reject or impose any conditions on any proposed or ongoing contractual relationship with any high risk third party.
- l) Review of contracts with US counterparts recognising elevated risks associated with business conducted under US regulations.
- m) Review potential dealings with sanctioned countries and counterparties in sanctioned countries, and the processes, systems and controls implemented by Management to ensure ongoing compliance with global sanctions regimes.
- n) Review of "whistleblower" communications.

7. Evaluating Performance

- 7.1. The BRC will assess the achievement of the responsibilities specified in this Charter and report the findings to the Board.

8. APPROVAL AND REVISION

- 8.1. The BRC Charter was approved by the MGL Board on 3rd December 2020.
- 8.2. The BRC shall review its Charter periodically and recommend any required or desired changes to the Board for approval.