

# Aroa Biosurgery Limited

## Risk Committee Charter

*Updated: June 2021*

The board of directors of Aroa Biosurgery Limited (**Company**) has established the Risk Committee (**Committee**). The Committee is accountable to the Company's board (**Board**) for its performance in respect of the responsibilities delegated to the Committee by the Board.

This Charter outlines the objectives, roles, responsibilities, authority, composition and procedural matters relating to the Committee.

### 1. Purpose/Objectives

- 1.1. The purpose of the Risk Committee is to assist the Board in performing its responsibilities relating to, and ensuring the integrity of, the Company's:
  - risk management framework including, without limitation, the financial and operational risk management system, the quality management system and health and safety management system to ensure that the Company has in place mechanisms and internal controls to identify and manage areas of material business risks; and
  - internal and external audit processes including, without limitation, quality and health and safety audits.
- 1.2. Ultimate responsibility for the integrity of the Company's risk management framework rests with the full Board notwithstanding the establishment of the Committee.

### 2. Roles and responsibilities

The Committee shall have the following responsibilities:

#### ***Auditing***

- 2.1. Review reports of external auditors and discuss with external auditors the Company's internal control systems and processes, the integrity of the Company's processes and any other related matters.  
Review and approve annual audit plans and any changes to the audit plans for both internal and external audits (including quality and health and safety audits).
- 2.2. Oversee and review the quality and objectivity of the audits conducted by internal and external auditors (including quality and health and safety audits).
- 2.3. Oversee the Company's internal audit programme and review the summary findings of that programme.

#### ***Risk Management and Internal Controls***

- 2.4. Review and monitor the Company's risk management framework and programme annually including the Company's quality management system, health and safety risk management system, risk assessment system, internal control systems, insurance coverage and business continuity plans, and disclose that this review has occurred.
- 2.5. Review and evaluate the Company's risk management policies, practices and procedures, and receive reports concerning material and actual incidents within identified risk areas

and in accordance with the Company's risk management framework, and report to the Board as appropriate.

- 2.6. Reviewing and monitoring at least annually the Company's exposure to environmental or social risks and disclose in its Annual Report whether it considers that it has any material exposure to those types of risks. The Committee will, where required, make recommendations to the Board on how the Company may make changes to its business methods to mitigate any such risks.
- 2.7. With the exception of its quality system, the Company does not maintain an internal audit function. However it regularly undertakes internal reviews to ensure ongoing compliance with respect to the following matters:
  - quality system;
  - health & safety laws and regulations; and
  - risk management.

In place of an internal audit function, the Committee, through its annual review of the Company's risk management framework, evaluates and looks for improvements in the effectiveness of the Company's governance, risk management and internal control processes.

- 2.8. The Company engages an independent third party to review its quality system on an annual basis. The Committee, may, from time to time, engage an independent third party to audit any of the Company's other activities.

### ***Other***

- 2.9. Monitoring and supervising the implementation and effectiveness of the Company's Whistleblower Policy, including considering reports of reportable conduct under the Whistleblower Policy and dealing with complaints of non-compliance with the Whistleblower Policy.
- 2.10. Any other duties or responsibilities assigned to it by the Board, from time to time.

## **3. Authority**

- 3.1. The Committee shall have access to senior executives, all employees, Company records, the Company's financial advisors and legal advisors.
- 3.2. The Committee may also seek independent advice from external consultants and may require the attendance of such external consultants at Committee meetings, as appropriate.
- 3.3. The Committee may undertake on behalf of the Board any such tasks including investigations or actions it deems appropriate and consistent with its responsibilities.

## **4. Composition**

- 4.1. To the extent practicable given the size and composition of the Board from time to time, the Risk Committee shall comprise of at least three members appointed by the Board, a majority of whom shall be independent directors. The Company will aim to ensure that the Committee comprises as many non-executive directors as is practicable in the

circumstances. The members of the Committee will be appointed and removed by the Board.

- 4.2. The Chairperson of the Committee will be appointed by the Board and shall be an independent director.

## **5. Meetings and Procedures**

- 5.1. The Committee shall meet as frequently as required to fulfil its responsibilities, but no less than two scheduled meetings shall be held in a year.
- 5.2. The quorum for a meeting of the Committee is at least two members of the Committee.
- 5.3. If the Chairperson of the Committee is absent from a meeting, the members of the Committee participating in that meeting may elect one of themselves as the chairperson for the meeting.
- 5.4. The Committee shall ensure that meeting minutes are kept.
- 5.5. The proceedings of the Committee will be governed by the provisions of the Constitution that govern meetings of the Board of directors with all necessary modifications.
- 5.6. The Committee may invite such other persons to attend Committee meetings as it deems necessary or required. The CEO and CFO shall attend each meeting of the Committee. The Director of Quality will attend meetings as requested by the Committee.
- 5.7. All directors have a standing invitation to attend any meetings of the Committee.

## **6. Reporting**

- 6.1. The Chairperson of the Committee will report back to the Board at its next scheduled meeting the key matters discussed, its decisions and any recommendations of the Committee.
- 6.2. The minutes of the Committee meetings will be provided to the Board at the next scheduled meeting of the Board.

## **7. Review**

- 7.1. The Committee shall conduct an annual review of the Committee's objectives and activities.
- 7.2. The Committee will undertake an annual review of this charter. Any changes to this charter will be recommended to the Board for approval.

Approved by the Board on 23 September 2021