



## **RISK COMMITTEE CHARTER**

### **Composition of the Committee**

- The Risk Committee ('Committee') of the board of directors ('Board') of Sims Limited ('Sims' or the 'Company') shall comprise at least three directors of the Company, with a majority being independent.
- Appointments, rotations and resignations of Committee members will be recommended to the Board by the Chairperson of the Committee ('Committee Chairperson').
- The Committee Chairperson shall be appointed by the Board and shall be an independent director.
- The Group Company Secretary of Sims, or his or her nominee, will act as Secretary of the Committee.

### **Role of the Committee**

The Committee's primary role is to assist the Board in fulfilling its governance and oversight responsibilities in relation to enterprise risk management; in particular regarding (i) Sims' risk appetite and risk tolerance with respect to strategic, operational, compliance, financial and reputational risk and overall risk culture, (ii) the functioning of Sims' internal control and risk management systems, and (iii) compliance with applicable legal and regulatory requirements. This role will include assisting the Board to form a view on the risk culture within Sims and the extent to which that culture enables the Company to operate within its established risk tolerance.

### **Functions of the Committee**

- The Committee will review and make recommendations to the Board regarding Sims' processes for identifying, assessing, and managing significant risk, including reviewing Sims' risk management framework at least annually to satisfy itself that the framework continues to be sound and that the risk culture is appropriate for the business.
- The Committee will review and make recommendations to the Board in relation to:
  - the Company's policies and practices for detecting, reporting and preventing fraud and serious breaches of business conduct;
  - the Company's risk exposures and the steps management has taken to monitor and control such exposures, including approving all trading and hedging policies and revisions;
  - the Company's insurance program, having regard to Sims' business and the insurable risks associated with its business as well as the Director' and Officers' indemnity and liability insurance policies;

- the processes and reporting systems in place to support the Company's compliance with applicable legal and regulatory requirements, including compliance with anti-corruption, sanctions, competition, and export control laws, and ethical compliance programs, including Sims' Code of Conduct;
  - the policies and arrangements for the protection of the Company's information and data systems and other non-physical assets;
  - the Company's crisis preparedness and disaster recovery plans; and
  - Management proposals to accept risks outside tolerance levels.
- The Committee will meet with the Group Chief Risk & Compliance Officer, without other members of management being present, on a periodic basis and whenever it is deemed appropriate by the Committee Chairperson.
  - The Group Chief Risk & Compliance Officer or other member of management will inform the Committee of reports from a regulator identifying contraventions or deficiencies in the Company's compliance systems.
  - The Committee will also:
    - Conduct or authorize any special projects or investigations into any matters within the Committee's Charter or as may be requested from time to time by the Board;
    - Review and recommend any update to this Charter as deemed necessary; and
    - Perform an evaluation of the Committee's performance at least annually to determine whether it is functioning effectively by reference to current best practice.

### **Operations of the Committee**

- The Committee shall meet at least four times per year and more frequently if circumstances require it.
- A meeting of the Committee shall be taken to be convened if at least two Committee members are present, including the Committee Chairperson.
- An Agenda for a Board meeting shall, where practicable, be prepared and circulated to Board members and other relevant individuals five business days prior to the time of the meeting and, if not practicable, at least 48 hours prior to the time of the meeting.
- A Committee meeting may be held by Committee members communicating with each other by any technological means by which they are able to simultaneously hear each other and participate in discussion. The minutes of the meeting shall record the method of communication by which the meeting was conducted.
- Minutes of a Committee meeting shall be taken and tabled at the next convenient Committee meeting. The Committee Chairperson shall report to the Board on any matters of significance recorded in the minutes.

- The Committee, through the Committee Chairperson, may request the attendance at Committee meetings of management and/or staff of Sims on a regular or irregular basis, as it deems necessary, to provide appropriate information or explanations.

### **Authority of the Committee**

The Committee, via the Committee Chairperson, shall have the authority to conduct or authorise investigations into any matter within the scope of the Committee's Charter with full access to all books, records, facilities and personnel of Sims. As the Committee deems necessary or appropriate to carry out its duties, it is authorized to select, engage (including approval of the fees and terms of engagement), oversee, terminate and obtain advice and assistance from outside legal, accounting or other advisers or consultants.

*This Charter was reviewed and adopted by the Committee on 14 December 2018.*