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Risk, Compliance & Sustainability Committee Charter

Connecting health solutions



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Risk, Compliance & Sustainability Committee Charter

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1. Purpose

- 1.1 The board of directors ('Board') of Sigma Healthcare Limited ('Company') has established the risk, compliance and sustainability committee ('RCSC').
- 1.2 The RCSC will assist the Board in fulfilling its responsibilities for ensuring:
 - (a) effective oversight of the Company's risk management, compliance, sustainability and occupational health and safety frameworks; and
 - (b) the existence of sound systems of internal control and effective management of risk, compliance, sustainability and occupational health and safety.
- 1.3 Further detail on the roles and responsibilities of the RCSC is provided in Section 3 of this Charter.

2. Authority

- 2.1 The RCSC is a committee of the Board established in accordance with the Company's constitution and Board Charter and is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities.
- 2.2 The RCSC has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.
- 2.3 The RCSC is empowered to investigate any matter, with full access to all books, records, company operations, and people of the Company and the authority to engage independent legal, compliance, risk management or other professional advisers as it determines necessary to carry out its duties.
- 2.4 Except where expressly stated in this Charter, the RCSC discharges its responsibilities by making recommendations to the Board.
- 2.5 The RCSC does not have any executive powers to commit the Board or management to the implementation of its recommendations except where expressly stated in this Charter or as authorised by resolution of the Board.
- 2.6 The RCSC will develop an annual program to meet its responsibilities.

3. Roles and Responsibilities

- 3.1 **Risk**
 - (a) To oversee the establishment and approval of the Company's risk management framework (for both financial and non-financial risks, noting that the Audit Committee provides guidance to the Board on financial risk management and compliance) including its strategy, internal controls, risk profile, policies, procedures and systems. The framework should be designed so that there is, amongst other things:
 - (i) an adequate system of internal control, risk management and safeguarding of assets;
 - (ii) a system of reporting and investigating breaches of risk management policies and procedures;
 - (iii) a review of internal control systems and the operational effectiveness of risk management policies and procedures;
 - (iv) a culture of risk management and compliance throughout the Company; and
 - (v) adequate resources to support the risk management function and enable proper remedial action to be taken to address areas of weakness.

- (b) To review at least annually and monitor the adequacy and effectiveness of the Company's risk management strategy in relation to non-financial risks, to satisfy itself that the framework continues to be sound and the Company is operating with due regard to the risk appetite set by the Board. This will be done by considering the processes that the Company's management uses to design and assure controls and to measure their effectiveness, together with reviewing reports from the Company's internal auditor to form an opinion of the reliability of the risk assessment.
- (c) To review risks identified in the Company's risk profile, monitor changes in the risk profile, challenge the risk profile in light of the risk appetite set by the Board (and draw conclusions as to the appropriateness of the risk profile) and draw to the Board's attention to material risks where required, including where the Company is at risk or is operating outside of risk appetite.
- (d) To provide risk management updates to the Board and any supplementary information required to provide the Board with confidence that key risks are being appropriately managed.
- (e) To consider the implications of and monitor the management of new and emerging risks and to ensure that risk considerations are incorporated into strategic and business planning.
- (f) To oversee the Company's internal controls and systems to the extent they do not relate to financial matters and to assess the effectiveness of assurance activities and review assurance reports relating to non-financial matters.
- (g) To evaluate the structure and adequacy of the Company's insurance coverage periodically, and to monitor claims trends.
- (h) To review any material incident involving fraud or a break-down of the risk management framework and identifying 'lessons learned' (including in conjunction with the Audit Committee if the matter is financial related).
- (i) To review any significant findings of any examinations by regulatory agencies.
- (j) To review, and recommend to the Board the operation of, risk management policies and procedures, so that there is, amongst other things:
- (k) To recommend to the Board any corrective action resulting from its review and assessment.

3.2 **Compliance**

- (a) To review and approve, or recommend to the Board for approval where appropriate, the key frameworks and policies which support the compliance management framework.
- (b) To review the effectiveness of the frameworks for monitoring compliance with all applicable laws, regulations, industry codes, company policies and material licences, permits and agreements.
- (c) To review reports in relation to material incidents involving compliance matters, violations of law or regulatory requirements, review the 'lessons learned', consider causes and trends, and monitor resolution and implementation of remedial actions as appropriate.
- (d) To oversee compliance with applicable laws by the Company and obtain regular updates from management and legal counsel regarding compliance matters that may have a material impact on the Company.
- (e) To review awareness of and compliance with the Company's Code of Conduct.
- (f) To evaluate whether management is setting the appropriate example by communicating the importance of the Code of Conduct and the guidelines for acceptable behaviour.

3.3 Sustainability

To oversee the Company's sustainability practices (save for climate change reporting which will be the responsibility of the Audit Committee), including:

- (a) Reviewing the key policies and management systems relating to sustainability and environmental, social and governance ('ESG').
- (b) Reviewing the systems for compliance with relevant ESG, legal and regulatory requirements.
- (c) Reviewing the Company's performance in relation to ESG measures and targets.
- (d) Reviewing the Annual Sustainability Report, as well as other significant public statements (including sustainability targets) as they relate to sustainability and recommend those statements for approval by the Board.
- (e) Reviewing and recommending sustainability disclosures to the Board for approval.

3.4 Occupational Health and Safety

To oversee the Company's occupational health and safety ('OHS') practices, including:

- (a) Reviewing and monitoring the adequacy of the OHS risk management framework, strategies, systems, programs, policies and processes implemented (and their success), and identifying emerging OHS risks.
- (b) Overseeing the Company's compliance with relevant OHS laws and regulations and with internal policies.
- (c) Providing ongoing advice and recommendations to the Board on OHS matters as requested and as appropriate, including with respect to the Company's risk appetite and risk management framework as it relates to OHS matters.
- (d) Reviewing and making recommendations to the Board regarding OHS training opportunities, instructions and equipment provided to employees and promotion of regulatory awareness to enable work in a manner that is OHS sustainable for workers and their colleagues.
- (e) Receiving and reviewing policies, reports, trends and other materials on OHS matters for Board consideration.
- (f) Reviewing major OHS risks, issues, incidents, investigations and action plans put in place by management to seek to minimise current risks and prevent incidents and making recommendations to the Board.
- (g) Considering reports submitted by management on OHS issues and making recommendations to the Board.

The RCSC shall perform other duties and activities that it or the Board considers appropriate in the context of this Charter.

4. Composition

4.1 Membership

- (a) The RCSC should, to the extent practicable given the size and composition of the Board and nature and scope of the operations of the Company, from time to time comprise of:
 - (i) at least three members; and
 - (ii) an independent chair.
- (b) The chair of the RCSC ('RCSC Chair') will be appointed by the Board. The RCSC Chair should be an appropriately qualified independent non-executive director who does not chair the Board (and must satisfy this description if required by statute or regulation).
- (c) The RCSC Chair may resign as a member of the RCSC upon reasonable notice in writing to the Board Chair.
- (d) All RCSC members should have a thorough understanding of the Company's business and the industry in which it participates.

4.2 Meetings

- (a) A quorum for any meeting will be two members, at least one of whom is independent.
- (b) The RCSC will meet at least four times annually or as frequently as is required to undertake its role effectively.
- (c) If the RCSC Chair is unable to attend an RCSC meeting, the RCSC Chair, or the members present, will appoint another member who is an independent director to act as chair at that meeting.
- (d) The Company's Chief Operating Officer and Chief Financial Officer (or his or her alternate) shall be invited to attend and/or be present for each RCSC meeting (unless notified by the RCSC Chair that attendance is not required).
- (e) Any RCSC member may, and the Company Secretary (or such other person nominated by the Board) must upon request from any member, convene a meeting of the RCSC.

4.3 Attendance

- (a) Notice of RCSC meetings will be provided to all directors of the Board who are not RCSC members and all directors may attend RCSC meetings.
- (b) Notice of RCSC meetings will be provided to the Chief Operating Officer and the Chief Financial Officer, who must attend meetings if requested.
- (c) Other members of management and advisers may be invited to attend meetings, as the RCSC Chair deems fit.
- (d) RCSC meetings may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution. A circular or written resolution signed by a majority of members will be effective as a resolution duly passed at an RCSC meeting and may consist of several documents in like form, each signed by one or more members. The expression "written" includes email or other electronic means.

4.4 Secretary

The secretary of the RCSC will be the Company Secretary, or such other person nominated by the Board.

4.5 Agenda

- (a) The Secretary will prepare an agenda for each RCSC meeting for review by the RCSC Chair.

- (b) Any member may require business to be included on the agenda, provided the RCSC Chair and the Secretary have been given prior notice.
- (c) The agenda for each RCSC meeting will be issued within a reasonable time prior to that meeting to members.

4.6 Minutes

- (a) Minutes of RCSC meetings will be prepared by the Secretary, approved by the RCSC Chair in draft, and then circulated to all members.
- (b) All minutes of the RCSC are available for inspection by any director of the Board.
- (c) The minutes of an RCSC meeting will be confirmed at the next RCSC meeting and then signed by the RCSC Chair.

4.7 Reporting

- (a) The minutes of each RCSC meeting will be included in the papers of the next Board meeting.
- (b) The RCSC Chair will, if requested at the next Board meeting, provide a report as to any material matters arising out of the RCSC meeting. All directors may, within the Board meeting, request information of members of the RCSC.

5. Reporting responsibilities

5.1 The RCSC will:

- (a) Regularly report to the Board on all matters relevant to the RCSC's role and responsibilities as set out in this Charter.
- (b) To the extent it does not relate to financial matters, advise the Board in a timely manner of internal control, risk management, compliance matters (including regulatory and business compliance) and sustainability matters which may significantly impact upon the Company.
- (c) Report and, as appropriate, make recommendations to the Board after each RCSC meeting on matters dealt with by the RCSC.
- (d) As and when appropriate, seek guidance from the Audit Committee on risk management and compliance matters to the extent it relates to financial matters.
- (e) As and when appropriate, seek direction and guidance from the Board on risk management, compliance matters and sustainability matters.

5.2 The RCSC must review and report to the Board on the Company's Annual Sustainability Report.

6. Access to Information and Independent Advice

6.1 The RCSC may seek any information or advice it considers necessary to fulfil its responsibilities.

6.2 The RCSC has access to:

- (a) The Company's management, to seek explanations and information from them.
- (b) External and internal auditors to seek explanations and information, without the Company's management being present, if required.

6.3 The RCSC, with the approval of the RCSC Chair, may seek professional advice from appropriate external advisers to enable the RCSC to properly carry out its functions and meet its objectives. The RCSC may meet with these external advisers without the Company's management being present. The costs of such external advisers will be borne by the Company.

- 6.4 Individual RCSC members may obtain independent professional advice at the Company's expense on matters arising in the course of their RCSC duties, after obtaining the RCSC Chair's approval.

7. RCSC Membership and Performance

- 7.1 The Board will, at least once in each year, review the membership of the RCSC to determine its adequacy for current circumstances.
- 7.2 Although the RCSC may make recommendations to the Board in relation to the RCSC's membership, responsibilities, functions or otherwise, the Board has ultimate responsibility for appointing RCSC members.

8. Charter Review

- 8.1 The RCSC will review this Charter every two years or as often as it considers necessary. The RCSC may recommend proposed amendments to this Charter to the Board for approval.
- 8.2 The Board may change this Charter (including the responsibilities of the RCSC) from time to time by resolution.

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