

# RISK & TECHNOLOGY COMMITTEE CHARTER

## A Blackmores Group Charter

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# INTRODUCTION

1. The Charter outlines the roles, responsibilities and composition of the Risk and Technology Committee (“**Committee**”) of the Board of Blackmores Limited (**Blackmores**).

## PURPOSE

2. The primary purpose of the Committee is to provide objective review and oversight across the Group for all the categories of risk, setting of risk appetite and ensuring an appropriate risk framework.

## ROLE OF THE COMMITTEE

3. The Committee has been established to assist the Board in the effective discharge of its responsibility on a range of matters relating to:
  - Maintaining a sound system of risk oversight, frameworks, management and internal controls which:
    - Set guidelines within which risk appetite and exposure should be managed;
    - Identify, assess, manage and monitor risk including new and emerging risks and the controls and mitigation measures that management has put in place to deal with those risks; and
    - Inform investors of material changes to the Company’s risk profile.
  - the design, implementation and operations of the Group Risk Management Policy, Group Risk Management Framework (RMF) and Group’s risk management procedures.
  - actively promoting ethical and responsible decision making with regards to risk, compliance and technology.
  - monitoring compliance with laws, regulations, ethical guidelines and the code of conduct.
  - the oversight of the technology-related strategies, investments and operations of Blackmores, and their alignment with the overall strategy and objectives; and
  - the technology risk management and security framework and its effectiveness.
4. The Committee is responsible for overseeing risk, risk-related activities and technology-related activities of the Group, other than those that are the responsibility of the Board or delegated to other Board Committees.
5. Where risk management and internal controls relate to financial, reporting and audit matters, they will be dealt with by the Audit Committee and referred to this Committee only where they are deemed inadequate and are likely to have a significant impact on the Group’s overall risk profile and/or risk appetite.
6. The Board has delegated authority to the Committee to fulfil its responsibilities as set out in the Section entitled Responsibilities of the Committee of this Charter and may make other delegations to the Committee from time to time.

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# COMPOSITION

7. The Board appoints the members and Chair of the Committee.
8. The Committee is to consist of at least three Directors, all of whom must be independent, non-executive directors (NEDs) of the Group.
9. The Chair of the Committee must not be the same person as the Chair of the Board.
10. At least one member of the Committee is to have experience in identifying, assessing and managing risk in large complex groups and between them have the necessary technical knowledge and sufficient understanding of operational risk management to fulfil its responsibilities.
11. At least one member of the Committee is to have working experience in information technology-led strategy, design, implementation and operations in a large complex environment and between them have the necessary technical knowledge and sufficient understanding of information technology to fulfil its responsibilities.
12. The Audit Committee Chair will be a member of the Committee, and the Committee Chair will be a member of the Audit Committee, this is to assist in the flow of relevant information between the two committees.
13. The Company Secretary of the Group or such other person as the Board may nominate, will act as the Committee Secretary.

# ROLE OF THE CHAIR

14. The Committee Chair:
  - is responsible to lead the Committee and oversee the processes for the Committee's performance of its role in accordance with this Charter.
  - has specific responsibilities to:
    - foster an open, inclusive and, where required, robust discussion and debate by the Committee;
    - set the agenda with the Committee Secretary and management, ensuring that the appropriate time and attention is devoted to matters within the responsibilities of the Committee; and
    - liaise with the Committee Secretary to ensure the Committee has the information necessary to enable effective decision-making; and
    - liaise with the Group Head of Risk, Group Head of Compliance and Legal, Group Head of Regulatory, Chief Information Officer and other technology-related executives to ensure the Committee has the information necessary to enable effective decision making.

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# MEETINGS

15. The Committee is to meet as frequently as required per request by the Chair, but no less than four times per year.
16. The regulation of meetings and proceedings of the Committee is governed by the Group's Constitution. The Company Secretary shall be the Secretary (Committee Secretary) of the meeting.
17. A minimum of two (2) Non-Executive Directors shall constitute a quorum and be competent to transact the affairs of the Committee.
18. A standing invitation is issued to all Non-Executive Directors who are not members of the Committee to attend meetings.
19. The Chief Executive Officer, Chief Financial Officer/Chief Information Officer and Group Head of Risk or equivalent are required to attend meetings. The External Auditor will be given notice of all meetings and are required to attend. Other Company representatives and/or representatives of external advisors may be invited to attend meetings, at the invitation of the Chair.
20. The Committee will regularly meet with the CEO and/or the CFO/CIO with or without other members of management or the External Auditor present, as considered appropriate by the Committee.
21. The Chair of the Committee may meet separately with the External Auditor and the Internal Auditor independent of management, as required.
22. The Committee will meet periodically with the Nomination Committee, Audit Committee, and People & Remuneration Committee to consider material financial and non-financial risks relevant to executive performance and remuneration and share information about key matters where appropriate to ensure ongoing oversight of these matters.
23. The Committee will refer an issue to the Board or another Board committee where:
  - the issue falls within that Board committee's responsibility;
  - relates to evidence of material inconsistencies in compliance with a Blackmores Group framework, or policy by a Group entity;
  - there is evidence of failings of controls to effectively manage risks; or
  - if it would benefit the Board or another Committee's consideration.

## AGENDA AND PAPERS

24. The Agenda of each meeting shall be guided by the Risk and Technology Committee Annual Workplan.
25. Any Committee member may require business to be included in the agenda provided the Chair and Committee Secretary have been given notice. The Committee Secretary will be responsible for the co-ordination and despatch of the agenda, Committee papers, and the preparation of minutes of Committee meetings.
26. The agenda and papers for each meeting will be issued to Committee members, all other Non-Executive Directors, all other required attendees and all other invitees (papers attributable to those items they are invited to) with a reasonable time prior to that meeting.

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# ACCESS, RELIANCE AND ADVICE

27. The Committee will have free and unfettered access to the CEO and the CEO Direct Reports, any other relevant internal party (including risk and financial control personnel) and external parties and information, and may make any enquiries necessary to fulfil its responsibilities.
28. The relevant executives (ie. Group Head of Risk, CFO/CIO, other relevant Group leads, IT leads) are responsible for the preparation, presentation and integrity of the information provided to the Committee.
29. The Committee may obtain independent advice at Blackmores expense, including by engaging and receiving advice and recommendations from appropriate independent experts (including risk or technology experts) with prior approval of the Board Chair. The engagement and any advice received will be independent of management.
30. Committee members are entitled to rely on information, advice and assurances provided by management on matters within their responsibility, and on the expertise of independent experts, as long as they are not aware of any grounds that would make such reliance inappropriate

## RESPONSIBILITIES

### RISK MANAGEMENT AND COMPLIANCE

31. The main responsibilities of the Committee with respect to risk management and compliance include:

#### **Health, Safety and Wellbeing**

- Review and oversee reporting on Health, Safety and Wellbeing matters, systems and information.
- Reviewing and recommending for Board approval the Group Work Health and Safety Policy.
- Oversee the investigation of significant health and safety incidents.
- Reviewing and monitoring the Groups compliance with applicable legal and regulatory requirements associated with workplace, health and safety.

#### **Internal controls and risk management**

- Oversight of the Group's risk appetite and annual updates to the Risk Appetite Statement for recommendation to the Board;
- At least annually, reviewing the Group's Risk Policy and Risk Management Framework for recommendation to the Board to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
- During the course of the year, reviewing and assessing management's oversight of the Group's risk operations, Risk Profile and Risk Management Framework, including that the Group is operating within acceptable levels of risk as defined by the risk appetite set by the Board;
- Reviewing management, internal audit and external audit reports on the effectiveness of the internal control, risk management systems and management of material business risks;
- Reviewing and assessing during the course of the year the effectiveness of the internal controls, policies, programs, standards, guidelines and procedures which form the Risk Management Framework; particularly those procedures for identifying, assessing and managing key risks and controlling their impact on the Group; and
- Reviewing and recommending to the Board those risk management, risk reporting and governance policies which require Board approval.
- Initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control.

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## Legal and Regulatory Compliance

- Monitor the culture that is promoted within the Group to drive accountability and responsibility for compliance with the Risk Management Framework and the associated policies, standards and procedures.
- Reviewing and assessing the effectiveness of the Group's compliance program in ensuring compliance with relevant regulatory and legal requirements;
- Reviewing and assessing the effectiveness of internal processes for ensuring compliance with the Group's policies and procedures;
- Reviewing compliance reports prepared by management in relation to the Group's compliance with statutory, legal and other regulatory requirements; and identifying and considering any matters that may have a material impact on the Group's activities, and report on those matters to the Board;
- Obtaining regular updates from Legal Counsel and other management, as appropriate, regarding any material litigation, regulatory investigation, or material risks relating to the Group's compliance with statutory requirements;
- Reviewing information on material incidents, and what lessons learned should be implemented and ensuring their action;
- Reviewing, assessing and monitoring the effectiveness of the Group's policies and procedures on continuous disclosure and reporting on these to the Board; and
- Receiving updates on any forthcoming regulatory changes that may affect the Group.

## Other Risk Matters

- Reviewing and assessing the adequacy of the Group's insurances having regard to the Group and the insurable risks associated with the business, including Directors' and Officers' Liability insurance at least annually;
- Reviewing, assessing and monitoring the effectiveness of the Group's policies, procedures and reporting of modern slavery and ethical sourcing and reporting on these to the Board;
- Receiving regular updates on whistleblower matters and ensuring the Board is kept informed of key matters; and
- Receiving regular updates and reviewing adequacy of product quality, customer/consumer complaints and adverse reactions matters and programs.

## TECHNOLOGY

- 32.** Throughout this Charter, the use of the term technology is inclusive of information technology and digital.
- 33.** The main responsibilities of the Committee with respect to technology include:

### Technology Strategy and Investments Oversight

- Reviewing and making recommendations to the Board in relation to the Group's technology and data management strategies;
- Receiving reports from management on the implementation of the Group's technology and data management strategies;
- Reviewing and making recommendations to the Board on proposals for technology investments where the value exceeds the relevant limit(s) specified in the Group's Delegation of Authority Policy from time to time or which are categorised as strategic or high risk, including understanding the balance of the overall investment portfolio across risk and return; and
- Receiving reports from management on the progress (including post implementation reviews) of all key technology and data management projects.



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## Technology Operations and Assets

- Reviewing the Group's strategies and policies for the sourcing and selection of key external technology suppliers.
- Reviewing the overall health of the Group's technology assets, including:
  - Service performance.
  - Performance of key suppliers and partners; and
  - Lifecycle management planning for key technology assets.
- Reviewing and making recommendations to the Board on information/data security policies and governance.

## Technology Risk, Security and Cyber Security

- Reviewing and making recommendations to the Board in relation to the overall technology and cyber risk profile of the Group (including Blackmore's technology and cyber risk appetite included in the Risk Appetite Statement);
- Receiving and reviewing reports from management on technology and cyber security risk and major technology and cyber security incidents, and ensuring the Board receives prompt notification where appropriate;
- Reviewing the effectiveness of disaster recovery plans and disaster recovery testing (as a subset of overall Business Continuity Management planning) and reporting to the Board on the effectiveness of these plans and testing.

## OTHER AREAS OF RESPONSIBILITY

- 34. Consider any other matter relating to corporate governance, risk, compliance and technology that the Committee considers desirable from time to time; and
- 35. Performing any other duty or undertaking that the Board may request from time to time.

## REPORTING

- 36. The Secretary will prepare the minutes of meetings of the Committee which are to be approved by the Chair in draft and circulated to all members of the Committee and to the Board. Minutes of meetings will then be confirmed at the next meeting of the Committee and signed by the Chair.
- 37. The Chair of the Committee will report to the Board at the Board meeting following each Committee meeting, on all matters that should be brought to the attention of the Board and any recommendations requiring Board approval and/or action.

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# COMMITTEE PERFORMANCE AND CHARTER REVIEW

- 38.** The Committee's Charter will be regularly reviewed (annually at minimum) and the Chair, following such review, will make recommendations to the Board in relation to the Committee's membership, responsibilities and functions or otherwise (and any amendments deemed desirable).
- 39.** No changes to this Charter may be made without approval of the Board. After any review or amendment, this Charter will be distributed by the Company Secretary to all Committee members, Non-Executive Directors, the Chief Executive Officer, the Chief Financial Officer and other key stakeholders.
- 40.** This Charter will be available for viewing by any person on the Company's website.



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