



Centrepont Alliance Limited

(ABN 72 052 507 507) (the "Company")

Risk Committee Charter

Dated: 5 May 2011

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1 Purpose and authority

1.1 Purpose

The purpose of this Risk Committee Charter is to specify the authority delegated to the Risk Committee (“**Committee**”) by the board of directors of the Company (“**Board**”) and to set out the role, responsibilities, membership and operation of the Committee.

1.2 Authority

The Committee is a committee of the Board established in accordance with the Company’s constitution and is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the responsibilities set out in this charter and under any separate resolutions of the Board granted to it from time to time.

2 Role of the Committee

The role of the Committee is to assist the Board in carrying out its responsibilities, including oversight of:

- (a) the effectiveness of the Company’s system of risk management and internal controls; and
- (b) the Company’s systems and procedures for compliance with applicable legal and regulatory requirements.

3 Risk responsibilities

3.1 Risk oversight and management

The Committee is responsible for:

- (a) preparing a risk profile which describes the material risks facing the Company including financial and non-financial matters. The categories of risk to be considered include, but are not limited to, those listed in Schedule 1;
- (b) regularly reviewing and updating the risk profile;
- (c) ensuring that the Company has an effective risk management system;
- (d) approving and overseeing the process to identify principal risks, evaluate potential impact and implement appropriate systems to manage such risks;
- (e) assessing and ensuring that there are internal processes for determining and managing key risk areas, such as:
 - (i) non-compliance with laws, regulations, standards and best practice guidelines including industrial relations, occupational health and safety, environmental and trade practices laws;
 - (ii) business licence requirements;

- (iii) litigation and claims;
- (iv) fraud and theft;
- (v) relevant business risks not dealt with by other Board committees;
- (f) receiving reports concerning material and actual incidents within the risk areas above and ensuring that macro risks are reported to the Board at least annually;
- (g) receiving reports from management concerning the Group's risk management strategies, their adequacy and effectiveness and take action arising from those reports;
- (h) conducting investigations into incidents within the risk areas above;
- (i) encouraging voluntary reporting by employees to the Committee of breaches of Company policies, and incidents within the risk areas above;
- (j) assessing existing controls that management has in place for unusual transactions or transactions with more than an accepted level of risk and risks associated with organisational changes and major initiatives; and
- (k) meeting periodically with key management and compliance staff to understand the Company's control environment.

4 Membership

4.1 Composition and size

The Committee will consist of:

- (a) a minimum of four members, of which two must be non-executive directors.
- (b) Initially the Committee will be
 - (i) Two non-executive directors; and
 - (ii) Two executive directors.

Membership is to be reviewed periodically and re-appointment to the Committee is not automatic. Appointments and resignations are decided by the Board.

4.2 Chairperson

The chairperson of the Committee must be a non-executive director who is not the chairperson of the Board.

The chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

4.3 Skills development

If the Committee chairperson approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Company's expense.

4.4 Commitment of Committee members

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities.

At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

4.5 Secretary

The company secretary is the secretary of the Committee.

5 Committee meetings and processes

5.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions in the Company's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

5.2 Frequency and calling of meetings

The Committee will meet at least annually or as required to undertake its role effectively. The chairperson must call a meeting of the Committee if requested by any member of the Committee or the chairperson of the Board.

5.3 Quorum

Two members, at least one of whom must be a non-executive director of the Company, constitute a quorum for meetings of the Committee.

5.4 Attendance by management and advisors

The Committee chairperson may also invite directors who are not members of the Committee, other senior executives and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

5.5 Agenda and documents

The chairperson of the Committee determines the meeting agenda after appropriate consultation.

The secretary distributes the agenda and any related documents to all Committee members and other attendees before each proposed meeting.

5.6 Access to information and advisors

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access the Company's documents and records;
- (c) obtain the advice of special or independent counsel, accountants or other experts, without seeking approval of the Board or management; and
- (d) access management and external auditors.

5.7 Minutes

The secretary will keep minute books to record the proceedings and resolutions of its meetings.

The chairperson of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

5.8 Referral of Issues to Audit Committee

The Committee is required to refer all material issues to the Audit Committee.

6 Committee's performance evaluation

The Committee will review its performance from time to time and whenever there are major changes to the management structure of the Company.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities in terms of this charter.

7 Review and publication of charter

The Board will review this charter to ensure it remains relevant to the current needs of the Company. The charter may be amended by resolution of the Board.

The charter is available on the Company's website and the key features are published in the annual report.

Approved by the Board on 5 May 2011.

Schedule 1 - Categories of Risk (clause 3.1(a))

The categories of risk that should be considered when preparing a risk profile include, but are not limited to:

- (a) (**compliance**) the risk of legal or regulatory sanctions, financial impact, and reputation impact that the group may suffer as a result of failing to comply with all applicable regulations, codes of conduct and good practice standards;
- (b) (**regulatory**) the risk that changing regulations, locally and across global jurisdictions, could threaten the group's competitive position and its capacity to conduct business efficiently;
- (c) (**market**) the risks to the business associated with changes in market sentiment (asset classes, interest rates etc), political initiatives, consumer changes in attitude, changes in professional bodies' attitudes and changes in the funds management and life insurance sectors;
- (d) (**reputational**) the risk that negative public opinion may impact earnings and capital;
- (e) (**operational**) the risk of loss or negative impact associated with a failure of internal systems and processes, people and technology systems or from external events;
- (f) (**liquidity**) the risk that the group will be unable to service its cash flow obligations today or in the future;
- (g) (**currency/treasury**) the risk that volatility in foreign exchange rates exposes the organisation to economic and accounting losses;
- (h) (**pricing**) the risk that prices of key resources and services are higher than their expected levels, resulting in increased costs or lower margins;
- (i) (**competitive**) the risk that actions of competitors or new entrants to the market could negatively impact on the group; and
- (j) (**new initiatives**) the impact that new or proposed initiatives, mergers and/or acquisitions may have on the group as a whole or part.