



PaperlinX Limited
Risk Committee of Management (RCoM) Charter
Approved by RCoM October 2010
Approved by the Board February 2011

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Risk Committee of Management Charter

Introduction

Consistent with corporate governance and risk management practices, PaperlinX is to have a Risk Committee of Management (**RCoM** or the **Committee**). This charter defines the RCoM's purpose, membership, meetings, duties and responsibilities, and reporting requirements.

This Charter has been adopted by the Risk Committee of Management of PaperlinX Limited (the **Company**) to assist the Committee in the exercise of its functions and responsibilities.

In this Charter, where appropriate, the term **Board** refers to the Board of PaperlinX Limited, and the various sub-committees of the Board.

1. Purpose

The RCoM has been established to assist PaperlinX Management to fulfill their duties in relation to risk management, specifically to approve and oversee the processes used to identify, evaluate and manage risk. A key element of this will be the review, prioritization and approval of actions proposed to further mitigate risks.

The RCoM will review, report and provide direction for risk management, however the business process owner remains the primary risk owner and accountable for implementing and monitoring a rigorous process of internal control and risk management.

2. Specific Functions and Responsibilities

The duties to be undertaken by and responsibilities of the RCoM are set out below. The RCoM should:

- define the risk reporting requirements;
- be responsible for ensuring a strong culture of risk awareness throughout the business;
- assess the current risk environment and the impact of any changes in risks or risk exposures;
- assist in the assessment and proposed mitigation of individual risks;
- act as liaison to enable effective and regular communication between the Committee and the broader business;
- promote risk management as a permanent agenda item in Executive and Senior Management meetings;
- facilitate the ongoing reporting of business risk to the Board on a six monthly basis;
- review all internal and external audit reports and consider these in light of current risk assessment and reporting;
- define the organisational structure for managing risk in accordance with the Risk Management Framework; and
- review, recommend and communicate the Risk Management Framework and Policy as and when required. Any changes to the Risk Management Policy will require approval by the Board prior to being distributed to the business.

3 Composition

3.1 The Committee comprises:

- Chief Executive Officer

- Chief Financial Officer
 - Chief Executive Officer, PaperlinX Europe
 - President, PaperlinX North America
 - Executive General Manager, PaperlinX ANZA
 - EGM Business Development
 - EGM Human Resources
 - Company Secretary and General Counsel
 - Group Manager Risk Management and Internal Audit
- 3.2 The Chief Financial Officer serves as the Committee Chairperson.
- 3.3 The Chairperson and members of the Committee are to be appointed and replaced by the Chief Executive Officer as required and reviewed by the Chief Executive Officer at least annually.
- 3.4 Other parties including external advisors may be invited to attend as necessary.

4 Meetings

- 4.1 The Committee holds at least four regular meetings per year and such additional meetings as the Chairperson of the Committee decides are required in order for the Committee to fulfill its duties.
- 4.2 The Group Manager, Risk Management and Internal Audit, or such other person approved by the Chairperson, is Secretary to the Committee.
- 4.3 The Committee Secretary is responsible, in conjunction with the Chairperson, for:
- maintaining an action log;
 - drawing up the agenda;
 - preparing the Committee papers; and
 - circulating the papers to Committee members a reasonable period prior to each meeting.
- 4.4 A quorum consists of five members.

5 Reporting

- 5.1 Minutes of Committee meetings must be maintained by the Committee Secretary and circulated to members of the Committee as soon as practicable after each meeting.
- 5.2 The Committee will provide a report to the Board on a half yearly basis, covering the following matters:
- the current status of the group wide risk assessment;
 - the current status of any action plans, relevant to 'high' rated risks, derived from the risk assessment process;
 - a response to any requests or correspondence received from the Board and
 - any other matters that the Committee wish to bring to the attention of the Board.
- 5.2 On an annual basis, the Committee will provide the following information to the Board:
- a recommendation of any changes in this Charter; and

- a recommendation of any changes to the Risk Management Framework and Risk Management Policy.

Appendix 1 – Calendar of events

Meeting	Item Description	Frequency
October	<ul style="list-style-type: none"> • Review the Group risk register • Review the Divisional risk registers • Review reporting on the status of action and treatment plans for items on the Group risk register • Review any proposed risk reporting to the Board • Review any Internal Audit reports and External Audit Management letters issued since the last meeting • Review the Group Risk Management Policy and Risk Management Framework 	Each meeting Six monthly Each meeting Each meeting Each meeting Annually
January	<ul style="list-style-type: none"> • Review the Group risk register • Review reporting on the status of action and treatment plans for items on the Group risk register • Review any proposed risk reporting to the Board • Review any Internal Audit reports and External Audit Management letters issued since the last meeting 	Each meeting Each meeting Each meeting Each meeting
April	<ul style="list-style-type: none"> • Comprehensive review of the Group risk register, including voting on the likelihood and consequence of risks (to include other members of PaperlinX corporate and divisional management by invitation). • Review the Divisional risk registers • Review reporting on the status of action and treatment plans for items on the Group risk register • Review any proposed risk reporting to the Board • Review any Internal Audit reports and External Audit Management letters issued since the last meeting 	Annually Six monthly Each meeting Each meeting Each meeting
July	<ul style="list-style-type: none"> • Review the Group risk register • Review reporting on the status of action and treatment plans for items on the Group risk register • Review any proposed risk reporting to the Board • Review any Internal Audit reports and External Audit Management letters issued since the last meeting • Review RCoM Charter 	Each meeting Each meeting Each meeting Each meeting Annually