

Risk Management Committee Charter

Latest Revision Adopted: 22 February 2021

The Board has established a Risk Management Committee which operates pursuant to this Charter.

The Role of the Risk Management Committee

The role of the Risk Management Committee is to assist the Board in reviewing the efficiency and effectiveness of the Company's risk management environment. The Committee's function is principally one of oversight and review. It reports to the Board. Responsibility thus resides with the Board.

The Responsibilities of the Risk Management Committee

- To review the Annual Risk Management Program and subsequent material changes requested by management. The Board is responsible for the approval of the Risk Management Plan.
- To review and notify the Board of the business risk management framework including management of operational events.
- Make recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;
- To monitor management's performance against the Company's risk management framework, management's approach to key operational risks facing the business and whether it is operating within the risk appetite set by the Board;
- Require management to design, implement and improve internal control systems for the Company and reviewing the effectiveness of those controls.
- Review any material incident involving fraud or a breakdown of the entity's risk controls and the "lessons learned";
- Review and monitor the ongoing effectiveness of AVJennings' treasury guidelines and operations;
- Review and monitor AVJennings' current and future liquidity, funding and derivative exposures and strategies, borrowing, investment and hedging transactions within the limits and other parameters set out in the treasury policy and delegated authorities granted to management relating to treasury operations;
- Review and approve credit limits applicable to specific counterparties, consistent with the treasury policy.

- Consider reports from management on new and emerging risks and the adequacy of risk controls and mitigation measures that management has put in place to deal with those risks;
- Review the adequacy of the Company's annual insurance program, having regard to the company's business and insurable risks associated with its business
- Review acquisitions and the Company's land bank from time to time to ensure strategy plans approved by the Board are being implemented.

Membership and Meetings

- The Committee shall have three formal members, one of whom is the Chairperson appointed by the Board. All Committee members will be non-executive Directors, with a majority of independent Directors. The Chief Executive Officer, Chief Financial Officer and Company Secretary will be in attendance at meetings.
- Committee members shall have a strong financial and business background.
- Two members shall constitute a quorum.
- The Committee will meet at least three times per year or more frequently as circumstances require.
- Meetings may be held by members communicating with each other by technological means by which they are able to simultaneously hear each other and participate in discussion.
- Meetings must be minuted.
- The Committee may invite others to attend the meetings from time to time, as it considers appropriate.
- The Committee will meet with the internal auditor as required.
- The Committee has the authority within the scope of its responsibilities to seek information it requires from any employee or external party with the prior consent of the Chairman. The Committee, and its individual members, may obtain outside legal or other independent professional advice at the expense of the Company to assist in discharging its responsibilities. Any advice obtained will be made available to all Directors.

The Committee will report to the Board regularly on its activities.