

People caring for people



People caring for people

RAMSAY
HEALTH CARE

Ramsay Health Care Limited
ACN 001 288 768

Risk Management Committee Charter

Charter

Approved by the Board of Ramsay Health Care Limited
on 21 September 2010

Risk Management Committee Charter

Contents

	Page
1 Introduction	3
2 Risk Management Committee	3
2.1 Composition	3
2.2 Meetings	4
3 Duties & responsibilities	5
4 Authority & resources available	6
5 Review	6

Risk Management Committee Charter

1 Introduction

This is the Risk Management Committee charter for Ramsay Health Care Limited (“**Company**”).

The charter governs the processes of the Risk Management Committee (“**Committee**”) and outlines the procedures and guidelines in relation to the role of directors and senior executives of the Company.

2 Risk Management Committee

Aim

The Board of Directors has ultimate responsibility for risk oversight and risk management. As a sub-committee of the Board, the Risk Management Committee (RMC) is responsible to the Board for:

- (a) leading the Group’s strategic direction in the management of material business risks¹;
- (a) oversight of the establishment and implementation of a risk management framework; and
- (a) reviewing the effectiveness of that risk management framework in identifying and managing risks and controlling internal processes.

The objectives of the framework are to ensure the provision of safe, quality services and direct the culture, processes and reporting structures in all Ramsay Health Care (RHC) facilities and throughout the corporate group to take advantage of opportunities while managing and monitoring risks that may adversely affect RHC’s achievement of its business objectives.

Together with the Audit Committee, which is responsible for oversight of management of material financial risks of the Company, the RMC is a key governance committee.

Goals

To encourage a culture based on the Ramsay Way principles that fosters continuous improvement and the minimisation of the impact of economic and personal risk within the Group.

To ensure policies are established and adopted for the oversight and management of “material business risks” (including but not limited to operational, financial, clinical, sustainability, compliance, strategic, ethical, reputational, service quality, human resource, industry, legislative or regulatory and market-related risks) and disclose a summary of these policies, in accordance with Recommendation 7.1 of the *Corporate Governance Principles and Recommendations* (2nd Ed) of the ASX Corporate Governance Council.

2.1 Composition

The Committee will comprise at least three members, at least two of whom must be non-executive directors, with at least one being a member of the Audit Committee. The Board will appoint one of these members as the Chairman of the Committee. The RMC will also consist of the following members: Managing Director; Group Finance Director; Chief Operating Officer; Chief Risk Officer and Group General Counsel. The Board may also appoint to the Committee an external member who has specialist risk management experience. It is expected that the Chairman of each sub-committee attend each RMC meeting. Other members of the Ramsay senior management team may attend meetings of the RMC by invitation.

¹See definition of “material business risks” below

2.1.1 Removal or resignation

If a member of the Committee retires, is removed, or resigns from their position within the Company, that member ceases to be a member of the Committee. The Board may appoint a successor.

2.1.2 Committee may invite

The Committee may invite any RHC team member or any other individual to attend a meeting of the Committee, as they consider appropriate.

2.1.3 Secretary

Company Secretary or delegate – ex officio.

2.2 Meetings

2.2.1 Frequency

The Committee will meet at least quarterly. Any Committee member or the secretary may call a Committee meeting at any time.

2.2.2 Calling meetings & notice

A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee three working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

2.2.3 Advice

The Committee may have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

2.2.4 Report to board

The Committee chair, or delegate, will report to the Board following each meeting. The Committee will report to the Board regularly on the matters set out in **Section 3** of this Charter.

The Committee will prepare for approval by the Board any report on the matters set out in **Section 3** that may be:

- required by any listing rule, legislation, regulatory body or other regulatory requirement; or
- proposed for inclusion in the annual report.

2.2.5 Minutes

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary. Minutes will be distributed to all Committee members and the chair of the Committee, after the Committee chair has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

2.2.6 Quorum & voting

A quorum will comprise three members, of which one must be a RHC Board member. In the absence of the Committee chair or appointed delegate, the members will elect one of their number as chair for that meeting.

Each member will have one vote and the chair of the Committee will not have a second or casting vote.

2.2.7 Resolutions

Resolutions of the Committee may be made at a meeting of the Committee, or where it is impractical to convene a meeting, by circular resolution in accordance with the procedures set out in the Company's Constitution.

2.2.8 Conflicts of interest

Members of the Committee must not vote on any issue in respect of which they have an actual or perceived conflict of interest.

3 Duties & responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

- Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
- Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the Company's material business risks².
- Set reporting guidelines for management to report to the RMC on the effectiveness of the Company's management of its material business, health and safety risks and disclose to the Board the content of management reports.
- Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimising risks that may impact adversely on the business objectives of the Company.
- Establish policies to monitor and evaluate risk management systems that identify and manage health and safety risks to maintain the well being of all employees, visiting medical practitioners, patients, contractors and visitors.
- Oversight of internal systems to evaluate compliance with corporate policies and to assess whether such policies can be expected to assist the Group to provide consistent, quality, safe and efficient healthcare services and workplace standards.
- Approve policies for monitoring and evaluating the effectiveness of a Visiting Medical Practitioner and Allied Health Professional accreditation / credentialing system throughout the corporate group that meets contemporary national and international clinical governance standards.
- Oversight of management in the implementation of the accreditation program for all RHC facilities, also that all facilities achieve and maintain appropriate Accreditation status. As part of this process, identify and develop policies to address any potential risks to any facility maintaining appropriate accreditation.
- Oversight of management in the monitoring and evaluation of continuous quality improvement systems that are designed to improve performance in the delivery of healthcare services.
- Approve policies to inform all employees, visiting medical practitioners, patients and contractors of their rights and responsibilities consistent with the risk management framework generally and specific material business risks identified from time to time, through readily available information at corporate and facility levels.
- Provide guidance to the Board on making the Company's risk management policies and procedures publicly available³ and, if appropriate, liaise with the General Counsel/Company Secretary and/or the Disclosure Committee on announcements to the market where material business risks or changes to those risks are likely to have a material impact on the price or value of the Company's securities⁴.
- Approve and update as necessary a summary of the Company's policies on risk oversight and management of material business risks, to be made publicly available.
- Contribute to the corporate governance statement in the Company's annual report, as appropriate given RMC policies, reports and results in the reporting period.

²ASX Corporate Governance Council, Corporate Governance Principles and Recommendations (2nd Ed), Recommendation 7.2

³As above, Recommendation 7.1

⁴ASX Listing Rule 3.1

4 Authority & resources available

The Committee may conduct or may authorise a third party to conduct investigations into any activity or function within the RHC Group so far as it relates to the duties of the Committee and is in accordance with this Charter. The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from any such investigation.

The Committee will have authority to engage and authorise expenses (subject to the Delegations of Authority Policy) for independent counsel and other advisors as the Committee deems necessary to perform its duties.

The Committee will have access to all books, records, facilities and personnel of RHC necessary for the Committee to discharge its duties and responsibilities.

5 Review

The Committee will conduct a review of this Charter at least every two (2) years to ensure that it continues to reflect the current processes and guidance utilised when assessing the appropriate risk management of the directors and the senior executives. The Board must approve any amendments to the Charter that stem from the review.



People caring for people
People caring for people

www.ramsayhealth.com