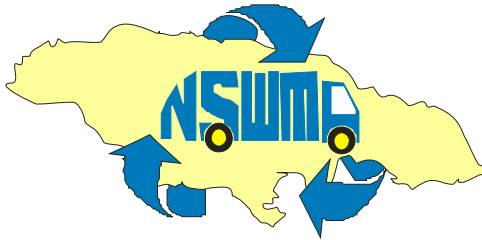


**NATIONAL SOLID WASTE MANAGEMENT
AUTHORITY (“NSWMA”)**



**TERMS OF REFERENCE
BOARD RISK MANAGEMENT COMMITTEE**

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CHARTER & TERMS OF REFERENCE
for the
BOARD RISK MANAGEMENT COMMITTEE

1. ESTABLISHMENT:

- 1.1. The Board of the National Solid Waste Management Authority (the Authority) hereby establishes the Board Risk Committee (hereinafter called the Committee) with all the powers and duties set forth in this charter and subsequent resolutions of the Board.
- 1.2. The Committee shall prudently employ any powers delegated to it by the Board of Directors for the purpose of carrying out its duties or fulfilling its purpose.

2. PURPOSE:

- 2.1 The role of the Board Risk Committee will be to oversee the embedding of the enterprise risk management process across the company and to help drive an internal culture of better risk management. The risk oversight role also includes ensuring that the business is being run in alignment with the company's risk appetite.

This Charter focuses on the Enterprise Risk Management (ERM) process which captures the broad approach by the entity to manage risk on an enterprise basis.

In carrying out its oversight responsibilities, the Committee shall be entitled to rely on the integrity and expertise of those persons (e.g. the Risk Manager, risk owners et al) providing information to the Committee and on the accuracy and completeness of such information.

3.0 MEMBERSHIP and STRUCTURE

- 3.1 The members of the Committee shall be no fewer than three (3) nor more than six (6) non-executive directors. The Executive Director shall be an ex-officio member. The Chairman of the Board shall appoint the Chairman of the Committee who should be an independent non-executive Director competent in the area of Risk Management. Such person should not be a representative of the parent Ministry of the NSWMA.

- 3.2 The members of the Committee shall be approved by the Board.
- 3.3 Committee members shall serve for no more than 3 years at the first instance, and in respect of Directors of the Board, shall be eligible for reappointment for a further term.
- 3.4 A Committee member shall resign by giving at least one (1) month's notice in writing to the Chairman of the committee, which shall be copied to the Chairman of the Board.
- 3.5 Membership of the Committee may, with the approval of the Chairman of the Board, be terminated for failure to attend three consecutive meetings where no valid excuse has been provided; or for any other reason deemed valid by the Committee.
- 3.6 The Committee may invite any officer or employee of the entity or any special counsel or advisor, to attend a meeting of the Committee or to meet with any members of, or consultant to, the Committee. The Head of Internal Audit or his or her representative is required to be in attendance at meetings at the request of the Committee.

4. QUORUM:

The quorum of the Committee shall be two non-executive members at least one of whom shall be a director of the NSWMA board.

5. CO-OPTED MEMBERS & INVITEES:

- 5.1 The Chairman of the Committee may co-opt or invite to its Committee meetings any individual who is not a member of the Board but possesses the necessary skills and qualifications to assist the Committee to adequately perform its functions.
- 5.2 Co-opted members shall not be more than two and shall have the same rights and responsibilities as Director Committee members.
- 5.3 Invitees are not allowed to vote and cannot be counted for purposes of a quorum.
- 5.4 Any member of the Board may attend meetings of the Committee; save that such a Director who is not a member of the Risk Management Committee shall not be entitled to vote at the Committee meeting and would not constitute a part of the quorum.
- 5.5 All persons have an obligation to appear before the Committee once an invitation has been issued.

Invitees may include:

- a) the respective NSWMA Department Heads;
- b) other members of the Executive and Managers of the NSWMA as required; and
- c) internal or external specialists or experts.

6. SECRETARY:

6.1 The Secretary of the Committee shall be the Company Secretary or such other person as the Committee appoints.

6.2 The Secretary shall:

- a) prepare the notice and agenda for the meeting and circulate same at least 7 clear days prior to the meeting;
- b) draft the minutes of the meetings and all other reports as directed by the Chairman;
- c) collect and disseminate information necessary for the proper functioning of the Committee.

7. ADVISOR(S) & RELATED EXPENSES:

- 7.1 The Committee is authorized by the Board to seek appropriate professional advice both internally or external to the Authority as and when it considers this necessary, and with the approval of the Board has the authority to retain independent legal or other consultants and to recommend related fees and retention terms in accordance with government procurement guidelines and the Board Charter.
- 7.2 The Committee shall receive the funding it deems necessary or appropriate for ordinary administrative expenses with the approval of the Board.

8.0 MEETINGS:

- 8.1 The Committee shall meet as often as required but no less than quarterly. Meetings shall be scheduled annually in advance where possible.
- 8.2 The Committee may meet by video conference or telephone conference call if its members so decide.
- 8.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities and responsibilities of the Committee. A member's participation in a meeting by video link or audio link shall be regarded as valid for these purposes.
- 8.4 Decisions are taken by simple majority. In the event of equality of voting, the Chairman's vote is decisive.
- 8.5 The Secretary, at the request of the Chairman, shall summon meetings of the Committee.

- 8.6 Notice shall be given to each member of the venue, time and date of each meeting. The agenda of items to be considered at each meeting, together with supporting papers, will normally be furnished to each member at least one week in advance of the meeting. Circulation of documents maybe effectuated by email but with hard copies made available to members at least three days before the meeting, where a Committee member so requests.

9. MINUTES:

- 9.1 The Committee shall keep minutes of its proceedings and report regularly to the Board.
- 9.2 Minutes will be signed by the Chairperson of the Committee and will form a part of the permanent records of the Company.
- 9.3 Each member of the Committee will receive a copy of the Minutes before the next meeting of the Committee.
- 9.4 The Minutes of meetings of the Committee and all other reports shall be reviewed prior to the meetings of the Committee.

10. DUTIES and RESPONSIBILITIES

The risk management responsibilities of the Committee shall include, but not be limited to:

- 10.1 Approving and recommending the ERM Policy and Framework for Board approval after recommendation for approval by the Management Level Risk Committee (MLRC) or its equivalent;
- 10.2 Approving the Authority's risk appetite statements after recommendation by the "Risk Manager" and the MRC – see may 31 minutes and clarify
- 10.3 Ensuring that appropriate resources are in place (including ERM templates, tools and people) for the effective execution of the ERM process across the entity;
- 10.4 Ensuring that the risk management system is implemented by the Executive Director and the MLRC, with support from the Risk Manager, and that ERM gets embedded in the strategic planning process and daily operations;
- 10.5 Ensuring that the established requirements in the ERM Policy and Framework are being met through reliance on independent reviews by the internal audit team and feedback from the Risk Unit and management;

- 10.6 Approving the appointment and replacement of the persons with the responsibility of the role of Risk Manager; and
- 10.7 Obtaining reports through the Risk Manager and challenges management on the status of the High and Very High Risks on various risks affecting the organisation (e.g. operational, reputational, compliance, strategic and emerging risks) – status to include the budget spent against budget to mitigate the risk, reasons for risk mitigation plans that are behind and revised implementation dates where dates have been missed.

11. REPORTS TO THE COMMITTEE

- 11.1 The respective Departments shall submit monthly reports to the Committee for review.
- 11.2 The reports shall include but not be limited to details of action taken in response to specific instructions given by the Committee, explanation of variances and corrective measures taken.
- 11.3 These reports should be circulated to Committee members at least seven (7) days prior or to the Committee meeting.

12. REPORTS BY THE COMMITTEE:

- 12.1 In fulfilling its tasks, the Committee shall regularly consult with the Authority's Chairperson.
- 12.2 The Chair of the Board Risk Committee shall report to the Board at least on a quarterly or bi-annual basis. The scope of the reporting shall primarily be around the status of risk mitigation plans around High and Very High risks as well as other significant items affecting the ERM process as outlined in its specific roles and responsibilities above.
- 12.3 The nature of the risks being reported to the Board should include credit, market, liquidity, and operational, reputational, compliance, strategic and emerging risks.
- 12.4 Board members shall have access to all records of the Committee.
- 12.5 The Committee shall:
 - a) consider other matters as determined by the Board; and
 - b) report on all of the above matters to the board.

13. GENERAL

These Terms of Reference will come into force upon its adoption by the Board of Directors, except where expressly mentioned otherwise.

These Terms of Reference can be amended at any time by a decision of the Board of Directors.

These Terms of Reference should be reviewed at least once every three (3) years.