

ADIA Board Committee

Terms Of Reference: Board Risk & Infrastructure Committee

1 Terms of Reference

- 1.1 The purpose of the Risk and Infrastructure Committee shall be to assist the Board in assessing strategic threats to the Association's operations; and
- 1.2 To determine whether the company has the human, physical and strategic resources to fulfill its core and ancillary purposes, within the framework established by the Association's constitution and relevant legislation.

2 Committee Chair

- 2.1 The Board appoints or re-appoints the Chair of the Committee bi-annually when the Association has completed the task of appointing new Directors following an Annual General Meeting.
- 2.2 In selecting the Chair, the Board takes into consideration those directors who bring background skills and experience relevant to corporate risk assessment and company infrastructure planning.
- 2.3 The Chair shall provide leadership to Committee members in fulfilling the mandate set out in these terms of reference. He or she shall work with the Executive Officer and the ADIA Federal President in planning Committee meetings and agendas.
- 2.4 The Chair of the Committee reports to the Board on behalf of the Committee on the matters and issues covered or determined at each Committee meeting.

3 Committee Responsibilities

- 3.1 The Risk and Infrastructure Committee's responsibilities include the following with respect to Risk include:
 - 3.1.1 Subject to the general supervision of the Audit Committee of the Board, the committee shall review the effectiveness of the Association's internal control policies and procedures for the identification, assessment and reporting of risks.
 - 3.1.2 The Committee will review the work performed by the internal auditors and provide comments on that work to the Audit Committee, as appropriate. In the light of its review of the risk maps produced by ADIA staff, the Committee will advise on areas for internal audit review.
 - 3.1.3 The Committee will review the risk management procedures of the Association and report to the Board on the results of their review. The Committee will make appropriate recommendations to the Board on all risk management issues.
 - 3.1.4 The Committee will undertake all other matters relating to issues of risk management delegated to it by the Board.

- 3.1.5 The Committee shall recommend to the Board the overall risk management strategy of the Association (including the criteria to assess risk) and oversee the implementation and effective operation of that strategy, its policies and procedures.
 - 3.1.6 The Committee shall satisfy itself that the key risks of the Association are managed cost effectively and to an acceptable level and determine the priorities for risk management activity and bring to the attention of the Board the critical risks with their recommendations.
- 3.2 The Risk and Infrastructure Committee's responsibilities include the following with respect to Infrastructure include:
- 3.2.1 The Committee shall ensure alignment between the Association's operational needs, strategic objectives and the Association's infrastructure plans, including the effectiveness of its fixed assets.
 - 3.2.2 The Committee shall review, evaluate and recommend the Association's infrastructure direction, capabilities and strategic objectives, including prioritisation and monitoring the progress of the Association's infrastructure projects against major milestones and budgets.
 - 3.2.3 For capital purchases exceeding \$25,000 the committee shall review the scope of proposed purchases and review plans to ensure the delivery of the project within predetermined guidelines.
 - 3.2.4 The Committee shall review plans for infrastructure acquisition and management, providing recommendations to the Board concerning whether such recommendations represent a best-use of resources.
 - 3.2.5 The Committee shall review plans for business continuity, ensuring the ability of the company to continue operations in the event of a serious loss incident including, but not limited to: act of God (flood, cyclone, etc), theft, arson, equipment break-down, loss of key staff and other incidents identified by the Committee.
- 3.3 The Committee shall review at least biannually the adequacy of these terms of reference and recommend any proposed changes to the Board.

4 Committee Composition

- 4.1 The committee constitutes three or more Directors plus the Executive Officer.
- 4.2 A quorum for a meeting is a majority of committee members.
- 4.3 The Committee shall meet separately at least half-yearly.

Reference: 1.8.1 (Approved – August 2010)