



# PPG Compliance & Risk Management Charter

(Subsidiaries & Assigns)





## PPG GROUP

# Compliance & Risk Management Charter

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### 1. Objectives

The Compliance & Risk Management Committee, defined as “Working Committee” and the “Review Committee” defined as Senior PPG Managers (see Org chart attached) has been established by the Board of PPG (*Company*) and applies to the Company and its subsidiaries (*Group*) to support and advise the Board in fulfilling its responsibilities to shareholders, employees and other stakeholders of the Company by:-

- (a) Assisting the Board in fulfilling its development, oversight and review responsibilities for the Compliance & Risk structure, culture and management processes as defined by the separate WHS & QMS policies and procedures as published for each Business Unit within the PPG Group of companies intranet;
- (b) Implementing and supervising the Group’s operational risk assessment framework covering areas such as, general risk and associated insurance requirements, WHS responsibilities in identifying risk/hazards, implementing plans to minimise risk, i.e., risk assessment/risk control, product recall plans, disaster recovery plans/business continuity, QMS and ensuring continuous improvement throughout all PPG business units.
- (c) Risk as defined by this working committee may include but is not restricted to, Financial Loss, contractual loss, interruption to business “business continuity”, or personal risk to employees, contractors, and other key stakeholders.

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### 2. Authority

The Compliance & Risk Management Committee has authority with the consent of the Review Committee to conduct activities and direct work within its scope of responsibilities. It is empowered to:



- (a) Use internal expertise or retain external resources to advise the Committee and assist management to develop, review and develop Group policies and procedures that lead to safer operational and risk management outcomes for the Group and all subsidiaries and assigns;
  - (b) Seek any information it requires from PPG Group entities (including the individual Management Committees, WHS Management Groups), Managers and individual employees, contractors and stakeholders; &
  - (c) Meet with any of the above as needed to satisfy the Groups set objectives.
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### **3. Specific Responsibilities**

In order to fulfil its responsibilities to the Review Committee, the Working Committee will:

#### ***(a) Develop and revise as necessary the PPG Group's Compliance Policies and Risk Framework:***

- Oversee the process of development and review of all Compliance & Risk Policy within the Group through regular quarterly reporting from the working committee management to the review committee and onto the board;
- Develop Group Compliance & Risk policies, procedures and objectives that are credible and develop solutions which target resources to deal with issues representing the greatest Compliance & Risk threats, managed via a suite of targeted KPA's;
- Ensure Compliance & Risk policy revision addresses both active failures and latent organisational conditions, by seeking to identify and changes policies, procedures and common practices embedded within the PPG Group's normal functions so as to achieve better Compliance and Risk outcomes; &
- Encourage Compliance & Risk assessment policies to identify, verify, control, mitigate and remove operational hazards and risk.

#### ***(b) WHS and QMS (Quality Management Systems)***

- Oversight and consider the process of Operational WHS Management Systems, and QMS Systems development to ensure Review Committee objectives are achieved for the Group;
- Oversight introduction of Risk Assessment and Risk Management principles to all aspects of PPG Group operations as a tool to mitigate against potential loss;
- Ensure systems introduced by management improve WHS decision making and accountability, and provide tools, defences and safeguards to militate against foreseeable injury, damage and loss.



***(c) Group WHS Promotional Activities***

- Consider encourage and review Group WHS Promotional activity;
- Discuss with management the best methods for applying Group resources to best promote WHS activities;
- Promote policies that implement positive changes to improve WHS.

***(d) WHS Regulatory Compliance & QMS Systems***

- Consider the management work-plan for Group WHS Compliance activities;
- Obtain regular updates from management on WHS compliance matters;
- Review the effectiveness of the quality systems (QMS) within PPG Group in terms of satisfying outcomes based on regulatory audit compliance criteria; Audit results, customer feedback, process performance & product conformity, preventative and corrective actions, changes and recommendations for improvement
- Review annually any new developments and regulatory initiatives which may impact on the Group QMS and WHS process. Decide and make action any subsequent actions resulting from a QMS review for improvement of the system and its processes, any improvements to product related to customer requirements, and any extra resourcing required to achieve the groups QMS objectives
- Monitor the groups QMS targets and Objectives; annual customer review surveys, IR/RA/NCR frequency, DIFOT, PIFOT, Pick Accuracy, and regular customer contact via sales reps and customer service interactions.

***(e) Group Compliance & Risk Culture***

- Review and consider management's mechanisms for encouraging a culture where constructive criticism and Compliance & Risk observations and communication are encouraged and acted upon in a positive way;
- Positively influence management to ensure the development of organisational beliefs, norms, attitudes, roles, social practices and technical practices that leads toward safer operational outcomes.



#### **(f) Risk Management**

- Consider the overall Compliance & Risk management framework and review its effectiveness in meeting sound corporate governance principles. Keep the Review Committee informed of all significant Compliance & Risk matters or financial risks;
- Review with management the system for identifying, managing, and monitoring the key Compliance and financial risks of the organisations;
- Obtain reports from the management of all PPG business units on the status of any key risk exposures or incidents monthly and report up.
- Develop Business Continuity and Recall plans for each business unit and identify all key areas of risk and exposure to any risk as defined within this charter.

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#### **4. Composition**

- (a) The committee will consist of not less than seven (7) key PPG senior managers, representing all of the business units across the PPG group; (*see page 6; committee structure*)
- (b) At least two (2) Committee (GRC) members must have considerable experience and expertise in Business Continuity, WH&S, QMS, and systems operating environments;
- (c) The Working Committee will nominate a chairperson of the Committee (*The Chairperson*) whom will have overall responsibility for implementation and overseeing of the PPG Company's Charter, and activities of the Compliance & Risk Committee

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#### **5. Procedural Requirements**

- (a) The Working Committee will meet as required but not less than four times a year, there will be 1 annual meeting to review the entire PPG WHS, QMS and Risk, structure, effectiveness and improvements required to maintain our set standards and objectives;
- (b) A quorum of the Working Committee shall be two members, although all members are expected to attend (whether by telephone or otherwise) and participate;
- (c) If the Chairperson is absent from a meeting and no acting Chairperson has been appointed, the members present may choose one of them to act as Chairperson for that meeting;



- (d) Meetings of the Working Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution;
  - (e) Each member of the Working Committee shall have one vote;
  - (f) The Chairperson will not have a casting vote;
  - (g) The Working Committee may seek such advice from any external parties or professional advice as it may consider necessary or desirable to achieve its objectives;
  - (h) Following each meeting the Chairperson will report to the Review Committee on any matters that should be brought to the Board's attention, and on any recommendation of the Working Committee that requires Board approval or action;
  - (i) The Company CEO or CFO or delegated persons will provide such assistance as may be required by the Working Committee Chairperson in relation to preparation of the agenda, minutes or papers for the Working Committee;
  - (j) As necessary or desirable the Chairperson may invite such members of management or external parties or advisory bodies to be present at meetings of the Working Committee.
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## 6. Compliance & Risk Committee Structure

