

Safety and Operational Risk Review Committee Charter



australia
group

1. Purpose

- 1.1 Virgin Australia's ambition is to be the most loved airline in Australia, with a winning team that generates strong loyalty from guests and delivers outstanding results, with an unwavering commitment to safety.
- 1.2 The board (**Board**) of Virgin Australia Holdings Limited (ACN 100 686 226) (**Company** or **Virgin Australia**) recognises the importance of, and has ultimate responsibility for, the oversight and management of safety, operational and environmental risk.
- 1.3 The Safety and Operational Risk Review Committee (**Committee**) has been established to assist the Board in fulfilling its oversight of operational safety, health, and security risks of the Virgin Australia group of companies (**Group**).
- 1.4 This Charter's purpose is to set out the role, composition and responsibilities of the Committee and describes processes the Committee follows to discharge its role and responsibilities.

2. Our values

- 2.1 This Charter is underpinned by Virgin Australia's values, which guide our behaviour and apply to every aspect of Virgin Australia's business.
- 2.2 The values are:
 - **We put safety first** – we put the health and safety of our people, customers and communities above all else.
 - **We have a big heart** – our customers live at the centre of everything we do.
 - **We do the right thing** – everything we do for our people, our customers and our communities is done with absolute integrity, always.
 - **We own it** – we're different and that's not going to change. We all, in our own way, embody Virgin's flair and laid-back, authentic spirit.

3. Authority and operation

- 3.1 The Committee will not have any executive powers.
- 3.2 The Committee is empowered to investigate any matter, with full access to all books, records, company operations, and employees of Virgin Australia and has the authority to engage independent accounting, legal, ethics, compliance, risk management or other professional advisers and ensure the attendance of direct reports of the CEO (the Executive Leadership Team) as it determines necessary to carry out its duties.

4. Role and responsibilities of the Committee

4.1 The Committee has authority to:

- a) exercise any power and authority delegated to it by the Board;
- b) make recommendations to the Board;
- c) request any investigation required to fulfil its responsibilities;
- d) have direct access to any employee of the Group and seek any information it requires from any employee in order to perform its duties;
- e) obtain all information necessary for the performance of its duties, including undertaking site visits and receiving presentations from subject matter experts;
- f) obtain (at the Group's expense) legal, technical or other advice as it considers necessary; and
- g) require the attendance of members of management at Committee meetings.

4.2 The responsibilities of the Committee include providing effective oversight of operational and airline safety, workplace health and safety and security risks by:

- a) reviewing and ratifying systems of operational risk management and related internal compliance and control including in accordance with section 5;
- b) ensuring appropriate corporate governance and legal compliance systems are established, and monitoring compliance with those systems;
- c) Monitoring the Prevention, Rehabilitation & Claims Management System objectives and targets in accordance with our requirements under the Safety, Rehabilitation & Compensation Act 1988 (Cth), and receiving reports on those objectives and targets;
- d) reviewing the annual Workplace Health & Safety Management System Review and recommending to the Board to accept or action the management review as required;
- e) monitoring the adequacy of all operational risk management processes used for the reporting of accidents, incidents, and regulatory breaches throughout the Group;
- f) monitoring serious investigations and remedial actions;
- g) monitoring environmental issues within the Group that potentially impact safety;
- h) monitoring the operational risk management processes maintained by the Group's third-party providers and codeshare partners, and receiving reports on any significant incidents or adverse trends;
- i) monitoring compliance with statutory and regulatory obligations and internal policies and procedures relating to operational safety, health, and security;

- j) monitoring the Group's reporting to, and recommendations and directions received from, regulatory bodies responsible for safety, health, and security, including the Australian Transport Safety Bureau, the Civil Aviation Safety Authority, Safety Rehabilitation Compensation Commission and the Department of Infrastructure and Transport; and
- k) monitoring, examining or considering any other matters referred to it by the Board.

4.3 The Committee is not itself responsible for:

- a) conducting safety, health, and security risk reviews; or
- b) implementing, managing and maintaining safety, health, security and operational risk management strategies, systems, policies or procedures, the Committee's role being one of overseeing, monitoring and reviewing processes and procedures.

5. Risk management

5.1 The Committee will review the establishment and operation of an operational risk management system.

5.2 When reviewing the system of operational risk management the Committee will consider:

- a) material operational risks identified by management;
- b) whether risk management policies reflect the Group's risk profile/appetite;
- c) the elements of the risk management and internal control systems in place to address material operational risks;
- d) strategies, policies, frameworks, models and procedures in place to govern the identification, management and mitigation of material operational risks; and
- e) the processes in place across the Group to ensure that current and emerging operational risks are identified and managed effectively.

6. Membership

6.1 The Committee shall comprise at least three members, including the Chief Executive Officer, each of whom shall be appointed by the Board. Where possible, at least one member shall also be a member of the Audit, Risk, Sustainability and Compliance Committee.

6.2 The Board shall appoint the chair of the Committee (**Chair**).

6.3 An expert external adviser will be appointed by the Committee to assist it in undertaking its responsibilities.

6.4 The Chair and Committee members will be appointed for an initial term of two years, with the appointments being subject to review bi-annually, or earlier, if circumstances dictate.

7. Meetings

7.1 Conduct of Meetings

- The Committee will meet at least four times annually. Additional Committee meetings may be convened as the Chair considers necessary, taking into account requests from any Committee member or the external adviser to the Committee.
- a) A quorum of the Committee will comprise any two members.
- b) If the Chair is unable to attend a Committee meeting, the Chair, or the Committee members present, will appoint another member to act as Chair at that meeting.
- c) The external adviser must attend all Committee meetings unless otherwise agreed with the Chair.
- All Committee members are expected to participate in all Committee meetings. Committee meetings may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution. A circular or written resolution approved by a majority of members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each approved by one or more Committee members. The expressions “written” and “approved” include by fax or other electronic means.
- The Committee may meet privately with the external adviser(s) to the Committee prior to each meeting as required to discuss any issues arising from the proposed meeting agenda.
- All directors of Virgin Australia shall have the right to attend Committee meetings.
- d) The Chair may invite any person, including any employee of the Group, to attend meetings of the Committee to present and discuss reports or give presentations on any matter.
- e) The Chair will report to the next Board meeting on the proceedings of the Committee meeting, including putting to the Board any recommendations which require Board approval.

7.2 Minutes

- a) The company secretary of Virgin Australia (**Company Secretary**) or delegate shall act as the Secretary of the Committee, unless otherwise determined by the Committee.
- b) The Company Secretary or delegate will prepare minutes of the Committee meeting.

7.3 Meeting timetable

- c) The Company Secretary or delegate is to distribute a meeting timetable for each forthcoming calendar year.

8. Committee performance and Charter review

- 8.1 The Committee will assess its performance and fulfilment of its responsibilities under the Charter at least once a year or otherwise as it or the Board considers necessary for recommendation to the Board.
- 8.2 The Committee will review the Charter annually or otherwise as it considers necessary and if it considers necessary, make recommendations to the Board that it approve amendments to the Charter.
- 8.3 The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.