

HARVEY NORMAN HOLDINGS LIMITED A.C.N. 003 237 545 (the "Company")
RISK COMMITTEE CHARTER

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1. Standing Rules for Company Board Committees

- 1.1. The Standing Rules for Board Committees apply to the Risk Committee and are incorporated into this Charter, save as expressly varied by this Charter.
- 1.2. Where used in this document, the following terms or expressions shall have the following meanings:

"**Act**" means the *Corporations Act 2001 (Cth)*;

"**ASX**" means the Australian Securities Exchange;

"**Board**" means the board of directors of Harvey Norman Holdings Limited;

"**Chairman**" means the chairman of the Board;

"**Chief Executive Officer**" means the chief executive officer of the Company;

"**Chief Financial Officer**" means the chief financial officer of the Company;

"**Committee**" means a committee or sub-committee of the Board;

"**Company**" includes Harvey Norman Holdings Limited A.C.N. 003 237 545 and each controlled entity of the Company;

"**Company Secretary**" means the secretary of the Company;

"**Director**" means each director, executive and non-executive, of the Company;

"**Employee**" includes each Director, Executive, employee of, or contractor to the Company;

"**Executive**" means each person who holds a position which makes that person an "*officer*" of the Company, as that term is defined in the Act;

"**Internal Audit**" includes all personnel and resources of the Company engaged in the internal audit function of the Company.

2. Purpose

- 2.1. The Risk Committee is established by the Board.
- 2.2. The purpose of the Risk Committee is to assist and inform the Board of the Company in relation to the risk management strategy and policy of the Company and controlled entities of the Company.

3. Powers of the Risk Committee

- 3.1. The Risk Committee has power to deal with, and where applicable, resolve, determine finally and approve, all matters falling within the scope of the purpose and duties of

the Risk Committee as set out in this Charter and all other matters that may be delegated by the Board to the Risk Committee from time to time, including power:

- to approve, review, vary and amend principles, policies, strategies, processes and control frameworks for the management of risk of the Company and controlled entities ("Risk Management Protocols");
- to approve, or recommend any changes to, risk appetite as appropriate; and
- to sub-delegate the powers and discretions of the Risk Committee to executives of the Company or controlled entities of the Company, as determined by the Risk Committee, with or without power to delegate further.

4. Duties of the Risk Committee

4.1. Subject to any resolution of the Board, the duties of the Risk Committee are to:

- (a) receive reports from management concerning the effectiveness of Risk Management Protocols, including any discretions conferred on executive management, and, if thought fit by the Risk Committee, make recommendations to the Board for the approval, review, variation or amendment of all or any of the Risk Management Protocols;
- (b) receive reports from management concerning credit, market, balance sheet, operational and reputational risks and assess the effect of those risks on the Company and controlled entities of the Company and the Risk Management Protocols;
- (c) receive reports from management concerning changes anticipated by management for the economic, business and regulatory environment and other factors considered relevant to future strategy and capital requirements of the Company and controlled entities of the Company, in order to assess and evaluate the strategy of the Company and controlled entities of the Company;
- (d) receive reports from management concerning the risk implications of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives, in order to assess and evaluate the strategy of the Company and controlled entities of the Company;
- (e) receive reports from management concerning any proposed resolution of significant risk exposures and risk events, in order to monitor those exposures and events and, if thought fit by the Risk Committee, approve the proposed resolution;
- (f) receive reports from management concerning compliance by the Company with applicable external obligations and significant internal policies relating to the operation of the business of the Company and controlled entities of the Company;
- (g) receive reports from management concerning the insurance strategy of the Company and controlled entities of the Company, including the coverage and limits of the insurance policies managed at the levels of the Company, in order to monitor that coverage and limits and, if thought fit by the Risk Committee, approve or vary that strategy or those policies.

4.2. Management is responsible for the preparation, presentation and integrity of information and all matters about which the Risk Committee should be informed. Management is responsible for implementing and maintaining appropriate risk management principles, policies, procedures and internal controls designed to

identify and address unacceptable risk consistently with the Risk Management Protocols and otherwise as determined by the Risk Committee.

- 4.3. Internal Audit is responsible for the provision of objective assessment of:
- (a) the operation of the systems of internal control;
 - (b) the risk and control framework; and
 - (c) generally, objective assessment of compliance by the Company and controlled entities of the Company, with the Risk Management Protocols.

5. Meetings

- 5.1. The Risk Committee will meet at least four times annually, and more frequently if the Risk Committee deems necessary.
- 5.2. Representatives of management will be invited to attend part or all of any meeting of the Risk Committee, unless the Risk Committee determines otherwise. The Risk Committee may request any person to withdraw from any part of a meeting.

6. Delegation to Subcommittee

- 6.1. The Risk Committee may, in the discretion of the Risk Committee, delegate all or a portion of the duties and responsibilities of the Risk Committee to a subcommittee of the Risk Committee.