

## Group Risk Committee Charter

### 1. Purpose

The Charter sets out the authority and responsibilities of the Group Risk Committee of MyState Limited (Group). The Group Risk Committee (GRC) is responsible for overseeing enterprise wide risks (both financial and non-financial) and related activities other than those undertaken by the Board or other Board committees.

### 2. Delegations to the Committee

The GRC is a Board Committee; it is given its delegation by the Board of Directors of MyState Limited. The GRC performs the functions outlined in this charter.

### 3. Powers of the committee

The GRC has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from external legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities. In carrying out its duties and responsibilities, the GRC shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

### 4. Committee Composition

Refer to the Board Committee Standing procedures. The Committee must include at least one member of the Group Audit Committee and at

least one member of the Group People and Remuneration Committee.

### 5. Committee Governance

Refer to the Board Committee Standing Procedures.

### 6. Responsibilities of the Committee

The committee has oversight of the following:

- Strategic and operational risk profiles and risk management of the Group within the context of the Board approved risk appetite.
- Implementation and operation of the, related internal control and compliance systems for the following risks:
  - » Credit Risk
  - » Market Risk
  - » Liquidity Risk
  - » Operational Risk (Including operational resilience, Information Security and Cyber)
  - » Compliance Management
  - » Capital management and Balance sheet risk
  - » Strategic Risk
  - » Emerging Risk
  - » Conduct Risk
  - » Environmental, Social and Governance (ESG) Risk

- Implementation of the business processes and policies that support the Group Risk Management Framework and Strategy, including monitoring the appropriateness and effectiveness of risk controls. The Committee will commission a comprehensive review via the Group Audit Committee (to be conducted at least every three years) on the appropriateness, effectiveness and adequacy of the risk management framework and consider the results of the report.
- Risk culture within the Group and the extent to which the risk culture supports the risk management strategy. The Board via the GRC form a view on the risk culture.
- Operational risk management including approval of the list of critical operations, material service providers, tolerance levels for disruptions to critical operations and review results of resilience testing related to critical operations.
  - » Risk controls as they relate to technology and cyber risks including receiving and reviewing regular reports from management on the risk technology/cyber risk profile, emerging issues and mitigation strategies.
- Issues, including significant breaches raised by management, the External

Auditor or Internal Auditor that impact the risk management framework.

- Compliance obligations with applicable laws, regulations and regulatory requirements that may impact the Group's risk profile.
- Implications of new and emerging risks, organisational change and major initiatives, in order to monitor them.
- The Committee will review reports and communication from management to the Groups regulators.
- Adequacy of the Group's insurance program, having regard to the business and insurable risks.

## **The committee reviews and endorses the following to the Board**

- The *Risk Management Framework and Strategy* to the Board for approval.
- Review the annual CPS 220 Risk Management Declaration and recommend its endorsement to the Board.
- The Committee will provide input to management regarding the *Group Risk Appetite Statement* and tolerances and recommend the Group Risk Appetite Statement to the Board for approval.

- The Committee will review and endorse the Internal Capital Adequacy Assessment Process and in doing so review the outcomes of stress testing, and review and monitor capital levels for consistency with the Group's risk appetite.
- Policies related to the management of the risks the committee has oversight off, to the Board for approval.
- Recommend delegations to the Board for credit related lending policies and monitor compliance.
- The Committee shall regularly update the Board regarding Committee activities and make appropriate recommendations.

## Approve the following

- The charters for management-level committees; the Enterprise Risk Committee and the respective TPTW, MSB, Auswide Asset and Liability Committees.

## In addition to the above

- The Committee will constructively challenge management's proposals and decisions on all material aspects of risk management.
- In overseeing these risks, the Committee provides periodic assurances as required to other Board Committees
- The Committee will refer to the Group People and Remuneration

Committee and other Board Committees any matters that come to its attention that are relevant for these Committees. This includes aspects related to risk-adjusted remuneration.

- The Committee will meet the requirements of Prudential Standard CPS 510 Governance, including the following governance responsibilities in relation to the CRO.
  - » Provide endorsement for and oversee the appointment and removal of the Group CRO.
  - » Through the CEO, set objectives for and review the performance of the CRO.
  - » CRO is required to have unfettered access to the Board and the Committee.

## 7. Amendments to the Charter

- Refer to the Board Committee Standing Procedures