



**Group Risk  
Committee Charter**

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# Group Risk Committee Charter

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## 1. Purpose

The Group Risk Committee (GRC) is responsible for overseeing enterprise wide risks and related activities other than those undertaken by the Board or other Board committees. GRC is responsible for, and has oversight of the Risk Management Framework and Strategy.

## 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. 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 Culture Committee.

## 4. Committee Governance

Refer to the Board Committee Standing Procedures

## 5. Responsibilities of the Committee

- The Committee reviews and recommends the *Risk Management Framework and Strategy* to the Board for approval.
- The Committee has oversight of the following enterprise-wide risks.
  - Credit Risk
  - Market Risk
  - Liquidity Risk
  - Operational Risk (Including Information Security)
  - Compliance Management
  - Capital management and Balance sheet risk
  - Strategic Risk
  - Emerging Risk

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- In overseeing these enterprise risks, the Committee provides periodic assurances as required to other Board Committees.
  - The Committee has oversight of management's 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 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 do all things necessary along with management to establish and maintain a sound risk and conduct culture
  - The Committee will oversee 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.
  - 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.
  - Oversight of management's approach to managing the risk of bribery and corruption.
  - The Committee will review issues raised by the CRO, External Audit or Internal Audit that impact the risk management framework.
  - The Committee will review compliance with applicable laws, regulations and regulatory requirements that may impact the Group's risk profile.
  - The Committee will receive reports from management concerning the risk 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.
  - The Committee will constructively challenge management's proposals and decisions on all material aspects of risk management.
  - The Committee shall regularly update the Board regarding Committee activities and make appropriate recommendations.
  - The Committee will review and approve the charters for management-level committees; the Enterprise Risk Committee and the respective TPTL and MSB Asset and Liability Committees.

- Recommend delegations to the Board for credit related lending policies and monitor compliance.
- The Committee has 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.
  - Review the annual CPS 220 Risk management declaration and recommend its endorsement to the Board.

## **6. 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.

## **7. Amendments to the Charter**

Refer to the Board Committee Standing Procedures