

## 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. 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.

### 4. Committee Governance

Refer to the Board Committee Standing Procedures.

### 5. Responsibilities of the Committee

- The Committee has oversight of the risk profile and risk management of the Group within the context of the Board approved risk appetite. The Committee will review and recommend the *Risk Management Framework and Strategy* to the Board for approval.
- The Committee has oversight of the implementation and operation of the following risks, related internal control and compliance systems:
  - » Credit Risk
  - » Market Risk
  - » Liquidity Risk
  - » Operational Risk (Including Information Security and Cyber)
  - » Compliance Management
  - » Capital management and Balance sheet risk
  - » Strategic Risk
  - » Emerging Risk
  - » Conduct Risk
- In overseeing these risks the Committee will recommend any related policies to the Board for approval.
- In overseeing these 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 commission a comprehensive review (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.
- 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 oversee and form a view of risk culture within the Group and the extent to which the risk culture supports the risk management strategy. Along with management, the Committee will seek to establish 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 the risk management framework and related 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.
- The Committee will review issues raised by management, the External Auditor or Internal Auditor 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 TPTW and MSB Asset and Liability Committees.
- Recommend delegations to the Board for credit related lending policies and monitor compliance.
- Oversee the adequacy of the Group's insurance program, having regard to the business and insurable risks.
- 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