

ClearView Wealth Limited

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Board Risk and Compliance
Committee (BRCC) Charter

CWL Board Risk and Compliance Committee (BRCC) Charter

Document Control & Version History

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| 1.0 | 20 July 2017 | Legal and Company Secretariat | Minor Amendments | BRCC |
| 2.0 | 27 June 2018 | Legal and Company Secretariat | Minor Amendments | BRCC Chair |
| 3.0 | 19 November 2018 | Legal and Company Secretariat | Minor Amendments to incorporate LaVista | BRCC |
| 4.0 | 1 July 2019 | Legal and Company Secretariat | Minor Amendments to incorporate responsibilities relating to Information Security | BRCC |
| 5.0 | 1 July 2020 | Legal and Company Secretariat | Removal of delegation from CLN, CFA, MPS and LaVista and minor amendments | CRO & General Counsel & Company Secretary |
| 6.0 | 19 April 2021 | Legal and Company Secretariat | Amendment to update to ASX Corporate Governance Principles & Recommendation 4 th Edition | BRCC |
| 7.0 | 28 June 2022 | Legal and Company Secretariat | Incorporate Responsibilities as a Non-Operating Head Office under APRA Prudential Requirements | BRCC, CWL Board |
| 8.0 | June 2023 | Legal and Company Secretariat | New Format but No Amendment | CWL Board Noted |
| 9.0 | | Legal and Company Secretariat | Update to reflect the exit from the wealth management businesses. | GE, General Counsel & Corporate under Delegation |

1. Purpose

- 1.1 To assist the Board and the boards of the ClearView Companies by providing objective non-executive oversight of the implementation, maintenance and operation of the Group's risk management framework and compliance framework ensuring that the framework deals adequately with contemporary and emerging risks.
- 1.2 To assist the Board in formulating and maintaining a risk appetite statement, to advise on the Board-approved risk management strategy and otherwise fulfil the risk management and compliance responsibilities of the Committee under APRA Prudential and Corporations Act requirements.

2. Authority

- 2.1 Subject to section 2.3 below, the Committee can exercise the powers of the Board under the Relevant Law and ClearView's Constitution, that it reasonably considers are necessary to enable it to perform its roles and responsibilities under section 3 of this charter and has authority to conduct or authorise investigations into any matters within its scope of responsibility.
- 2.2 The powers of the Committee under section 2.1 include the power to:
 - 2.2.1 Meet with and request any information it requires from employees, officers and directors of the ClearView Companies, all of whom are directed to cooperate with requests from the Committee or the chair of the Committee, and also the internal and external Auditors; and
 - 2.2.2 Retain independent counsel, accountants, actuaries or others to advise the Committee or assist in the conduct of an investigation.
- 2.3 ClearView delegates its powers under section 2.1 above to the Committee subject to:
 - 2.3.1 The Committee complying with the duties imposed on Directors by:
 - a) The *Corporations Act 2001* (Cth);
 - b) The *Life Insurance Act 1995* (Cth);
 - c) The *Insurance Contracts Act 1984* (Cth); and
 - d) ClearView's and Group Companies' Constitutions.
 - 2.3.2 The Committee not causing ClearView or a ClearView Company to be in breach of the Relevant Law;
 - 2.3.3 Conditions of ClearView's registration as a non-operating holding company (NOHC); and
 - 2.3.4 Any policy, guideline, values, code of conduct, governance framework or specific direction of ClearView which relates to the exercise of the powers delegated to the Committee.

3. Responsibilities

- 3.1 To provide objective, transparent, focused and independent oversight of the implementation, maintenance and operation of ClearView's risk management framework;

Risk appetite and risk management strategy

- 3.2 Assist the Board in formulating and maintaining a risk appetite statement with appropriately set risk tolerances in respect of each material risk and advising the Board on the overall current and future risk appetite and risk management strategy;
- 3.3 Adhering to the Board Risk and Compliance Committee requirements set out in relevant Prudential Standards;

Group risk management & compliance framework

- 3.4 Recommend for Board approval a risk management framework consistent with the Group risk appetite, statutory and regulatory requirements, including *Prudential Standard CPS 220 Risk Management (CPS220)*;
- 3.5 Oversee the Group compliance framework, including review and assessment of its effectiveness in identifying, monitoring and managing compliance with laws, regulations and internal company policies;
- 3.6 Monitor management's performance against the entity's risk management and compliance frameworks, including whether it is operating within the risk appetite set by the Board;
- 3.7 Ensuring that an appropriate risk-aware and compliance culture is embedded throughout the Group;
- 3.8 Oversight of executive management's implementation and maintenance of the Risk Management Strategy and constructive challenge of executive management's proposals and decisions on all aspects of risk management arising from the Group's activities;
- 3.9 Oversight of an enterprise-wide view of the Group's current and future risk position relative to its risk appetite and capital strength and liquidity requirements;

Reporting

- 3.10 Satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board and this Committee of any material incidents or breaches of the Group's Code of Conduct, Whistleblower or Antibribery and Corruption, Occupational Health and Safety or Anti-Money Laundering and CTF Policies;
- 3.11 Receive reports from management on new and emerging sources of risk and the risk controls and mitigation measures management has implemented to deal with these risks; including conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change. Also how it will disclose whether it has any material exposure to environmental or social risks and how it intends to manage those risks;
- 3.12 Provide input to the Board and Board Audit Committee in relation to risk disclosures in financial statements and other public statements;

- 3.13 Review and recommend to the Board for approval the annual Risk Management Declaration required under *Prudential Standard CPS 220 Risk Management (CPS220)*;
- 3.14 Review the Statement of Compliance with Financial Services Council Standards of the relevant ClearView Companies, prior to endorsement by the relevant ClearView Company Board;
- 3.15 Approve or recommend for Board approval policies, procedures, charters and other governance instrument(s), in respect of material risks and compliance;

Delegations & authorities

- 3.16 Set delegations which support the risk management strategy and risk appetite, and monitor compliance with those delegations;
- 3.17 Monitor adherence to risk and compliance policies and procedures including review of any material incident involving fraud or breakdown of the Group's risk controls and any emanating "lessons learnt";

Internal audit

- 3.18 In consultation with the Board Audit Committee, understand how the internal audit plan is aligned with the risks that have been identified and with risk and compliance governance, including receiving reports from internal audit on its review of the adequacy of the Group's processes for managing risk;

Remuneration practices

- 3.19 Assist the Nomination and Remuneration Committee in developing and monitoring remuneration arrangements and practices of the ClearView Companies, with a view to ensuring effective alignment of remuneration with prudent risk-taking, within the risk management framework of the Group;

Chief Risk Officer and risk team capacity

- 3.20 Oversight of the appointment and removal of the Chief Risk Officer [CRO], including that the Committee must provide prior endorsement for the appointment or removal of the CRO (Note: If the CRO is removed from their position, the reasons for removal must be discussed with APRA as soon as practicable, and no more than 10 business days, after the Committee's endorsement is agreed upon);
- 3.21 Review the performance of and setting the objectives and key performance indicators of the CRO;
- 3.22 Ensuring the Committee has free and unfettered access to the CRO, other executive management, risk, actuarial and financial control personnel, and other parties (internal and external) in carrying out its duties and vice versa. The Committee must invite the CRO to attend all relevant sections of meetings of the Committee;

Insurance program

- 3.23 Assist the Board as required in relation to the Group's insurance program, having regard to the Group's business and the insurable risks associated with its operations and operations of each entity;

Information & cyber security

- 3.24 Provide oversight of information and cyber security related issues, incidents, breaches which have material impact to ClearView;
- 3.25 Review progress with respect to execution of the information and cyber security strategy;
- 3.26 Seek assurance and challenge management on the effectiveness of the information and cyber security control environment and the overall health of ClearView's information assets, including the testing plans and sufficiency of testing coverage across the control environment;
- 3.27 Form a view as to the effectiveness of the information and cyber security controls based on the results of the testing conducted;
- 3.28 Provide oversight of the ongoing development and effectiveness of ClearView's information and cyber security capabilities;

NOHC and group responsibilities

- 3.29 Assist the CWL Board in reviewing and monitoring the Business Continuity Management (BCM) Policy which is part of the Group Risk Management Framework and requires annual Board approval. The Group regularly reviews and updates the BCM's Business Impact Analysis and Business Continuity Plan (BCP) and formally undertakes testing which is audited by internal auditors. The BCP testing program and results should be reviewed annually and approved by this Committee and the Board; and
- 3.30 Assist the CWL Board in reviewing and monitoring the Outsourcing Policy which is part of the Group Risk Management Strategy and requires annual Board approval. Reviewing any material proposed outsourcing or offshoring arrangements to ensure that they adhere to the Policy including the adequacy of selection and due diligence processes, and tender processes: internal audited outcomes, adequacy of proposed services level and performance agreements and where appropriate ensuring reporting the proposed arrangements to APRA.

4. Composition

Membership

- 4.1.1 Each member of the Committee is appointed by the Board.
- 4.1.2 The Committee must comprise at least 3 members, all of whom must be Non-executive Directors.
- 4.1.3 A majority of the members of the Committee must be Independent Directors of ClearView.
- 4.1.4 The chair of the Board of ClearView may be a member of the Committee but may not be chair of the Committee.
- 4.1.5 At least one member of the Committee must have recent and relevant risk experience.

Cessation

- 4.2 The Board may at any time remove any individual from the Committee and need not give a reason for doing so. If a member of the Committee ceases for any reason to be a Director, that individual automatically ceases to be a member of the Committee.

Fees

- 4.3 The services of a member of the Committee are beyond the ordinary duties of a Director. Accordingly, under cl. 6.3(f) of the Constitution of ClearView, Committee members are entitled to receive remuneration as determined from time to time by the Board (on the recommendation of the Nomination and Remuneration Committee of ClearView).

5. Chair

Appointment

- 5.1 The chair of the Committee:
- 5.1.1 Is appointed by the Board.
- 5.1.2 Must be an Independent Director of ClearView and may not be chair of the Board.

Acting Chair

- 5.2 If the chair of the Committee is absent from a meeting of the Committee and no acting chair has been appointed, the members of the Committee present at the meeting must choose one of the members of the Committee present, whether independent or not, to chair that particular meeting.

6. Secretary

Appointment

- 6.1 The Committee must appoint a Secretary of the Committee.

Minutes

- 6.2 The Secretary of the Committee must ensure that minutes are taken of meetings of the Committee. If the Secretary is asked to withdraw for all or any part of any meeting the chair must ensure that minutes are taken in respect of that part of the meeting.

7. Meetings

Meetings

- 7.1 When meeting, the Committee must have regard to each ClearView Company whose financial situation and risk management framework is under consideration and the interests' particular to that ClearView Company.

Meetings other than in person

- 7.2 The Committee may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they see fit.

Frequency

- 7.3 The Committee must meet often enough to undertake its role effectively. The Committee must meet at least three (3) times per calendar year.

Quorum

- 7.4 A quorum for a meeting of the Committee is two (2) members provided a majority of members present are Independent Directors of ClearView.

Voting

- 7.5.1 Voting at a Committee meeting is by simple majority and shall require a minimum of two (2) votes in favour of the proposal.
- 7.5.2 The chair has a casting vote (if required).

Other attendees

- 7.6.1 Other members of management of ClearView or of any of the ClearView Companies, or parties external to ClearView, may be invited to attend any meeting of the Committee; and
- 7.6.2 The CRO must be invited to attend any meeting, and/or relevant section of the meeting of the Committee.

Delegation by the Board and on delegation to sub-committees

- 7.7.1 The Committee's responsibilities including having authority to review and approve, on behalf of the Board, ClearView policies, charters and codes of conduct, and the Committee has the power to delegate this authority, on certain matters, in full or in part, to the chair of the Committee as it sees fit from time to time.
- 7.7.2 The Committee may at any time form and delegate authority to sub-committees, comprised of one or more members of the Committee as it considers necessary or appropriate. Each sub-committee has the full power and authority of the Committee, subject to the terms of its delegated authority.

8. Reporting by the Committee

Circulation of minutes

- 8.1 Minutes of each meeting of the Committee must be approved and signed by either the chair of the Committee or the chair of that meeting and then provided to the Board.

Reports to the Board

- 8.2 The Committee must:
- 8.2.1 Through its chair, report regularly to the Board and to the board of each of the ClearView Companies at the earliest possible board meeting after each meeting of the Committee, about Committee activities, issues and related recommendations. Such reporting should include any matters that, in the opinion of the Committee, should be brought to the attention of the relevant board, and any recommendations requiring the approval of the relevant board;
 - 8.2.2 Ensure that a report to shareholders of ClearView is prepared annually describing the Committee's composition, responsibilities and how they were discharged, and any other information required by regulation; including the number of times the committee met throughout the year and the individual attendances of the members at those meetings; and
 - 8.2.3 Review any other reports that any of the ClearView Companies issue that relate to the Committee's responsibilities.

9. Other responsibilities of the Committee

Review

- 9.1 The Committee must, each year, review and assess the adequacy of this Charter and recommend to the Board any changes that the Committee considers are desirable.

Annual performance appraisal

- 9.2 An evaluation of the performance of the Committee and each individual Committee member's performance and the extent to which the Committee has met the requirements of this Charter will be conducted through the Board's annual performance appraisal process.

Publication of charter

- 9.3 This Charter will be made available on ClearView's intranet and website.

10. Definitions and Interpretation

- 10.1 In this Charter, unless the contrary intention appears:

“**APRA**” means the Australian Prudential Regulation Authority;

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means the Australian Securities Exchange;

“**at any time**” means at any time and from time to time;

“**Auditor**” means an external firm registered as an auditor, who is appointed as auditor of ClearView or of a ClearView Company under the Corporations Act and, in particular, the Audit, Risk and Compliance engagement partner within that firm;

“**Board**” means the board of directors of ClearView;

“**Chief Risk Officer**” (or **CRO**) means the role and the person appointed to that role in accordance with the requirements of CPS220, and otherwise means the head of risk function within ClearView’s management team;

“**ClearView**” means ClearView Wealth Limited (ACN 106 248 248);

“**ClearView Companies**” means ClearView and its subsidiary companies:

- ClearView Group Holdings Pty Limited, and
- ClearView Administration Services Pty Limited;

“**Committee**” means the Board Risk and Compliance Committee established by resolution of the Board, and whose Charter this is;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Director**” means a member of the Board or of the board of directors of one of the ClearView Companies;

“**Group**” means the ClearView Companies collectively, as defined above;

“**Independent Director**” has the same meaning as in the Prudential Standard CPS 510 ‘Governance’;

“**Non-executive Director**” has the same meaning as in the Prudential Standards CPS 510 ‘Governance’;

“**Prudential Standard**” means a Prudential Standard issued by APRA;

“**Relevant Law**” means:

- the *Life Insurance Act 1995* (Cth),
- the *Insurance Contracts Act 1984* (Cth),
- the *Corporations Act 2001* (Cth),
- the *Financial Sector (Collection of Data) Act 2001* (Cth),
- the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth.),
- the *Privacy Act 1998* (Cth.),
- any other present or future law of Australia or a State or Territory of Australia with which ClearView or a ClearView Company must comply,
- any direction, instruction, ruling or guideline given by a person duly authorised by a competent Parliament for this purpose which ClearView determines is legally required to be followed,
- any direction, instruction, ruling, guideline, licence or registration condition issued by the applicable person who exercises a statutory function in relation to that matter, and
- any present or future law of Australia or a State or Territory of Australia which ClearView determines to be a Relevant Law for the purpose of this Charter.

10.2 In this Charter:

- 10.2.1 References to any statute or other law includes all laws changing, consolidating or replacing them, and includes all laws, regulations, modification orders and other instruments issued under the statute or law;
- 10.2.2 References to regulatory standards or guidelines of APRA or ASIC are construed as references to those for the time being in place;
- 10.2.3 All matters which are stated as being included in (or examples within) the scope of an expression do not limit the scope and generality of that expression; and
- 10.2.4 References to ASX Listing Rules, clauses of the Constitution of ClearView, or the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council are construed as references to those for the time being in force.