Risk Committee Charter

26 FEBRUARY 2026

Bank Australia

Table of Contents

1. Purpose **2**

2. Authority **2**

3. Role **3**

4. Structure **3**

5. Responsibilities **4**

5.1 Risk management framework 4

5.2 Risk limits, trigger points, key risk indicators, tolerances and trends 5

5.3 Write-offs 5

5.4 Company insurance cover 5

5.5 Chief Risk Officer (CRO) 5

5.6 Policy reviews 5

5.7 Compliance 6

5.8 Compliance breaches, complaints and disputes 7

6. Protocols **7**

6.1 Meetings 7

6.2 Reporting 7

6.3 Access 8

6.4 Performance assessment and review 8

7. Review **9**

8. Document history **8**

9. Appendix 1 - Risk categories **10**

1. Purpose

The purpose of this Charter is to set out the authority, role, structure, responsibilities, and general operations and protocols of the Risk Committee the Committee (**Committee**) of the Board of Directors (**Board**) of the Company.

The primary purpose of the Committee is to assist the Board by providing objective non-executive oversight of the Company's:

- Implementation and operation of the risk management framework, including the risk appetite and strategy;
- Risk identification, assessment and control methodologies;
- Prudential, capital management and statutory requirements in relation to the Company's Risk Management Framework and profile;
- Compliance with constitutional, legal, regulatory, outsourcing and policy obligations, excluding reporting requirements covered by the Audit Committee;
- Compliance with industry standards, codes of practice, public commitments and responsible banking principles; and
- Insurance cover and the Company's insurance program.

This Charter is supported by the charters for the Board and relevant Board committees, including the Audit Committee and Governance and Remuneration Committee and informed by the Company's Constitution and the Australian Prudential Regulation Authority (**APRA**) Prudential Standards predominantly through CPS 510 – Governance and CPS 220 – Risk Management.

2. Authority

The Committee is authorised to:

- exercise any powers of the Board, which the Board has delegated to it in accordance with the Company's constitution and the Corporations Act;
- investigate any matter brought to its attention with full, free and unfettered access to the Chief Risk Officer (**CRO**), other members of the Executive leadership team, risk and financial control personnel and other parties (internal and external) in carrying out its duties (access is to be coordinated via the CRO or relevant member of the Executive leadership team);
- engage independent counsel and other advisers as it determines necessary to carry out its duties;
- take appropriate actions to set the overall corporate 'tone' for compliance with laws, regulations, Prudential Standards, Industry Codes of Practice, stakeholder expectations and Board policies;
- in carrying out its responsibilities, ensure its policies and procedures enable it to best react to changing conditions and circumstances;

- have the powers necessary to obtain all information necessary for the performance of its functions; and
- approve and oversee remediation of items till satisfactory completion.

3. Role

The Committee's principal function is one of oversight, monitoring and supervision of the Company's systems of risk management – the Committee does not become involved in day-to-day operations or management, and to assist the Board with its allocated workload relating to the oversight of the Company's Risk Management Framework and processes. It will advise the Board on issues requiring attention and review any other matters referred to the Committee by the Board.

Without limiting the Committee's duties, neither the Committee, nor any member of the Committee, has the duty to actively seek out activities that are not compliant with policies and procedures, although they have a duty to act promptly if any such activity comes to their attention.

The Board cannot abrogate its overall responsibility for oversight of the Company's Risk Management Framework.

Committee members are entitled to rely on employees of the Company or assurance providers, professional advisors and consultants engaged by the Committee, Board or Company where there are reasonable grounds to believe that the reliance is in good faith and those employees, assurance providers or professional advisors and consultants are reliable and competent.

The Committee will liaise with the Audit Committee to provide assurance that major risk areas are addressed.

The Committee will have the necessary technical knowledge and a sufficient understanding of the finance industry to be able to discharge the Committee's mandate effectively.

The Committee shall have no executive powers with regard to its findings or recommendations.

4. Structure

The Committee shall be appointed by the Board of Directors and will comprise at least three (3) Non-executive Directors and other such appointments as the Board considers necessary. All members of the Committee will be Non-executive Directors with a majority of these being independent Directors assessed by reference to the criteria in Prudential Standard CPS 510 – Governance).

[Should a meeting of the Committee not able to be quorate due to the absence of a Committee member, the Chair may temporarily appoint another Director to act as a delegate or substitute member to ensure that a quorum is achieved.]

[If a quorum is not able to be achieved at a meeting of the Committee due to the absence of a Committee member, the Chair may temporarily appoint an alternative Director to act as a delegate or substitute member of the Committee to ensure that a quorum is achieved.]

Should the Board appoint the minimum number of Directors to the Committee, it should consider the appointment of a substitute member to ensure a quorum is present in the absence of a Committee member.

The Board of Directors shall appoint the Chair of the Committee. The Committee Chair cannot be the Chair of the Board but shall be an independent Director.

5. Responsibilities

The scope of the Committee's responsibilities as authorised by the Board include:

5.1 Risk Management Framework

The Committee will oversee all components of the Risk Management Framework including:

- Advise the Board on the overall current and future risk appetite and Risk Management Strategy which must address all material risks;
- Monitor, review and recommend for Board approval the Company's Risk Management Framework and processes including, but not limited to, credit risk, capital management risk, liquidity risk, market risk, interest rate risk, operational risk, large exposure and concentration risk, regulatory compliance risk, information security risk, and contagion and reputational risk;
- Establish a company-wide view of the current and future risk position relative to risk appetite and capital strength;
- Oversee the Executive leadership team's implementation of the Risk Management Strategy;
- Provide constructive challenge to the Executive leadership team's proposals and decisions on all aspects of risk management arising from the Company's activities and emerging risks;
- Review and make recommendations in respect of risk matters to the Strategic Plan on an annual basis;
- Monitor the Company's risk profile through scenario analysis and treatment plans for high residual rated risks and risk events;
- Ensure a risk reporting structure that provides appropriate information to monitor performance of the Risk Management Framework;
- Oversee and encourage a sound risk management culture;
- Review the adequacy of the Business Resilience Policy and Plan, testing program and monitoring of material service providers; and
- The constructive challenge of senior management's proposals and decisions on all aspect of risk management arising from the Company's activities.

5.2 Risk limits, trigger points, key risk indicators, tolerances and trends

The Committee will:

- Recommend to the Board risk limits and trigger point limits;
- Review and recommend to the Board Key Risk Indicators (**KRIs**) and risk appetite tolerances for all major risk categories; and
- Monitor performance against KRIs and tolerances for all major risk categories and management actions to address breaches and near-tolerance incidences.

5.3 Write-offs

The Committee will review and recommend for Board approval write-offs for loans, clearing account discrepancies and complaints/disputes approval as per Board Delegations Register contained within the Board Charter.

5.4 Company insurance cover

The Committee will review and ratify the Company's insurer and adequacy of the Company's insurance cover.

5.5 Chief Risk Officer (CRO)

The Committee will:

- Provide input to the objectives of the CRO;
- Endorse the appointment and removal of the CRO;
- Ensure the CRO has unfettered access to the Board and the Committee; and
- Provide input to the performance Review of the CRO.

If the CRO is removed from their position, the Chair of the Committee or Managing Director (**MD**) will discuss the reasons for removal with APRA as soon as practicable, and no more than 10 business days, after the Committee's endorsement is agreed upon.

5.6 Policy reviews

The Committee will review and recommend for Board approval the following policies at such frequency as set out in the Enterprise-wide Policy Framework:

- Liquidity Risk Management Policy

- Strategic Funding Plan
- Credit Risk Policy
- Risk Management Policy
- Risk Appetite Statement
- Risk Appetite Strategy
- Large Exposures Policy
- Artificial Intelligence Board Policy
- Board Information Security Policy
- Internal Capital Adequacy Assessment Process (ICAAP) Report
- Capital Management Policy
- Non-Traded Market Risk Policy
- Securitisation Policy
- Recovery and Exit Plan
- Financial Claims Scheme Policy
- AML-CTF Part A Program
- Compliance Policy
- Privacy Policy

5.7 Compliance

The Committee will:

- Promote compliance with legal and regulatory obligations, codes of conduct, agreements, policies, procedures and the Company Constitution;
- Obtain regular reports from management to monitor and assess the effectiveness of compliance structures;
- Monitor compliance with public and contractual commitments including marketing promises, United Nations Agreements, Reconciliation Action Plan, APRA Prudential Standards, Codes of Conduct and terms and conditions for the provision of products and services;
- Receive reports from APRA on the outcomes of prudential risk reviews and monitor the progress of management to address recommendations from these reviews; and
- Review management representations to the Board on compliance or other issues.

5.8 Compliance breaches, complaints and disputes

The Committee will ensure adequate policies and procedures operate for the receipt, retention, and treatment of breaches, complaints or disputes and receive reports and evidence of all significant breaches and disputes and act appropriately on a case-by-case basis.

6. Protocols

6.1 Meetings

The Committee shall meet at least six times each year and on request of the Chair of the Committee .

The MD, any Committee member, or the Chair of the Board of Directors may request the Committee Chair to call a meeting of the Committee. At the Chair's request, the Company Secretary shall convene a meeting of the Committee, consented to by all members. .

The MD, Chief Risk Officer and Chief Legal Officer and Company Secretary shall be invited attendees of the Committee with no voting rights. Members of the Executive leadership team and other officers of the Company may be invited as required.

A quorum shall consist of at least three (3) Director committee members.

Each year the Committee approves a meeting planner setting out the standing and strategic items and reports to be considered throughout the year.

The Company Secretary shall be responsible, in conjunction with the Chair, for preparing the meeting agenda and circulating it to Committee members prior to each meeting, supported by explanatory documentation.

Committee meetings may be called or held using any technology consented to by all members.

Minutes will be prepared in draft form by the Company Secretary and provided to the Chair for review.

Once the draft minutes have been approved by the Chair, they will be circulated as soon as practicable after the meeting to all members of the Committee.

6.2 Reporting

The Chair of the Committee shall report its findings and recommendations to the Board at the next Board meeting. The findings, recommendations, meeting papers requiring Board approval and minutes will be distributed to all Directors.

The Committee will refer to the Board of Directors or the appropriate Board Committee any matters that have come to the attention of the Committee that are relevant to the responsibilities of those bodies.

The Committee will ensure that APRA is informed of all material changes to risk management systems.

On or before the day the Company's annual information is required to be submitted to APRA, the Committee will ensure APRA is provided with a declaration from the Committee Chair and Chair of the Board of Directors, regarding the adequacy of risk management systems in accordance with Prudential Standard CPS 220 Risk Management.

6.3 Access

Members of the Committee shall be available to meet with APRA or any other regulator on request.

The Chair of the Committee will provide for the internal auditor to meet privately with the members of the Committee as required to review with them any internal audit issues or difficulties and management's response.

The Committee shall at all times, have free and unfettered access to the MD, Chief Risk Officer, and members of the Executive leadership team and vice versa.

6.4 Performance assessment and review

The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice and report its findings to the Board.

7. Review

The Risk Committee will review this Charter at least every three years or as necessary in the light of changes to the external environment, the Committee's operating activities or the risk profile of the Company. Any material changes are to be submitted to the Committee for final review and recommended to the Board for approval.

Minor and administrative updates to this Charter (including changes to position titles) may be made without reference to the Committee or Board for approval but notification of the change will be brought to the next Board meeting for noting.

8. Document history

Review Date	Details	Next Review
08 October 2024	All Board Charters reviewed and amended to achieve standardisation, consolidation, and simplification. Approval from the MergeCo Joint Board Committee.	October 2027
26 February 2026	Revised following a review of all board committee charters to apply a consistent approach to how charters are written.	October 2027

9. Appendix 1 - Risk categories

Risk categories to be overseen include:

- Strategic Risk
    - Reputation
    - Purpose
    - Business planning
    - Sustainable Growth
    - Climate
- Credit Risk
    - Large or concentration exposures
    - Loans Default
    - Commercial loans default
    - Liquid investments default
- Financial Risk
    - Liquidity
    - Capital
    - Market risk
- Governance Risk
    - Corporate governance
    - Regulation and legislation
    - Risk management, including insurance risk
    - Culture

- Operational Risk
    - Physical assets damage
    - Processing, execution and delivery
    - Products, Services & Disclosure
    - Employment practices and workplace safety
    - Financial Governance
    - Fraud (internal and external)
- Technology Risk
    - Information Security
    - Cyber Security
    - Technology Infrastructure and Resilience
    - Technology Investment and ROI
    - Data Risk Management
    - Data Governance
    - Data Privacy
    - Data Quality
    - Data Security
    - Digital Transformation
    - Business Disruption
    - Project Management