

## ANZ Group Holdings Limited Risk Committee Charter

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### 1. Purpose and Authority

- 1.1 The purpose of this charter (**Charter**) is to set out the authority delegated to the risk committee (**Committee**) of ANZ Group Holdings Limited (**ANZGHL**) by the board of directors (**Board**) and to set out the roles, responsibilities, and operation of the Committee in relation to ANZGHL and its subsidiaries (collectively, "**ANZ**" or the "**Group**").
- 1.2 The Committee is established by the Board in accordance with the ANZGHL constitution.
- 1.3 The ANZ Board Committee Standing Rules are incorporated into this Charter. To the extent of any inconsistencies, the terms in this Charter will prevail.
- 1.4 The Committee has the authority and necessary powers to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

### 2. Role of the Committee

- 2.1 The role of the Committee is to assist the Board in the effective discharge of its responsibilities by providing oversight of the implementation and operation of the Group's risk management framework, including for business, market, credit, equity and other investment, financial, operational, compliance, liquidity and reputational risk management and for the management of the Group's compliance obligations.
- 2.2 The Committee also assists the Board by providing an objective non-executive oversight of the implementation by management of the Group's risk management framework and its related operation and by enabling an institution-wide view of the Group's current and future risk position relative to its risk appetite and capital strength.

### 3. Responsibilities

- 3.1 To accomplish its role, the Committee:
  - (a) advises the Board on ANZ's overall current and future risk appetite and risk management strategy and recommends any change to the Group's risk

- appetite and risk management strategy/framework as appropriate;
- (b) assesses and advises the Board on management's implementation of ANZ's risk management strategy;
  - (c) reviews reports from management concerning ANZ's risk management and compliance frameworks, principles and policies, strategies, processes and controls including the discretions conferred on management and executive management committees, in order to oversee the effectiveness of them
  - (d) reviews reports from management concerning ANZ's key material risks (including credit, market, operational risk and compliance) in order to oversee these risks, assess their effect on capital levels and attest to the adherence to APRA Prudential Standard CPS220 Risk Management providing such attestation is qualified as to all material respects;
  - (e) reviews reports from management concerning changes anticipated for the economic, business and regulatory environment and other factors considered relevant to ANZ's future strategy and capital requirements, in order to monitor them in the context of ANZ's projected business performance and capital adequacy;
  - (f) reviews reports from management concerning the risk implications to ANZ of new and emerging risks, legislative or regulatory initiatives and changes, organisational change and major initiatives, in order to monitor them;
  - (g) reviews matters escalated from management concerning risk acceptance, or resolution of significant risk exposures and risk events of ANZ (including significant breaches), and if thought fit, approves matters beyond the approval discretion of management
  - (h) constructively challenges management's proposals and decisions on all aspects of risk management arising from ANZ's activities;
  - (i) reviews the performance and sets the objectives of the Chief Risk Officer and seeks to ensure the Chief Risk Officer has unfettered access to the Board and the Committee;
  - (j) has oversight of the appointment and removal of the Chief Risk Officer including providing prior endorsement for the appointment or removal of the Chief Risk Officer, noting that authority has been delegated to the CEO and Chair of the Board in consultation with the Committee Chair to approve acting appointments to the Chief Risk Officer role, and in the event that the Chief Risk Officer is removed from their position, seek to ensure the reasons for the removal are discussed with APRA as soon as practicable, and no more than 10 business days, after the Committee's endorsement is agreed upon;
  - (k) oversees compliance by the Group with applicable external regulatory obligations and significant internal policies relating to the operation of its business;
  - (l) reviews the Group's insurance strategy, including the coverage and limits of the insurance policies managed at a Group level, in order to monitor them and, if thought fit, approve or vary them;
  - (m) reviews reports from management concerning Anti Money Laundering/Counter Terrorism Financing and Sanction applicable external regulatory obligations

- and internal policies, in order to monitor them and, if thought fit, recommend changes to the Board in relation to the AML/CTF Program (as appropriate);
- (n) reviews reports from management concerning ANZ's approach to Risk and Governance Culture in order to oversee scope and expected impact on organisational behaviour;
  - (o) oversees APRA risk reporting requirements (as appropriate);
  - (p) advises the People and Culture Committee of any financial or non-financial risk outcomes that may warrant consideration by the People and Culture Committee in discharging its duties; and
  - (q) monitoring key technology and cyber risks of the Group including matters referred to it by the Board's Digital Business and Technology Committee.

#### **4. Committee memberships**

- 4.1 The Board shall appoint one of its members, other than the Chair of the Board, to serve as the Committee's chairperson (**Chair**).
- 4.2 The Group Audit Committee Chair will be a member of the Committee and vice versa to seek to ensure relevant information flows between these committees.
- 4.3 Committee membership will seek to ensure some overlap in membership between the Committee and People and Culture Committee.

#### **5. Meetings**

- 5.1 The Committee will meet at least four times annually, and more frequently if it deems necessary.
- 5.2 The Committee will invite the Chief Risk Officer to attend all relevant sections of meetings of the Committee. Other representatives of management will be invited to attend part or all of any meeting of the Committee, unless the Committee determines otherwise. The Committee may request certain parties to withdraw from any part of a meeting.
- 5.3 The Chief Risk Officer shall provide independent reports to the Committee on such matters as the Chief Risk Officer deems necessary or as required by the Committee or the Board, and raise such matters with the Chair of the Committee as the Chief Risk Officer deems appropriate.
- 5.4 Joint Group People and Culture Committee, Audit Committee and Risk Committee meetings will be held at the end of each financial year to leverage insights from these Committees when considering the Group Scorecard assessment, ANZ Incentive Plan outcomes, and performance and remuneration outcomes for Specified Roles.

No individual executive will be permitted to be present when their individual performance outcomes and/or remuneration is being discussed.

5.5 The Committee will receive reports from major subsidiary risk committees, on such basis as the Committee determines within ANZ and respond to issues raised as appropriate.

## **6. Decision Making Process - Time Critical Decisions**

- 6.1 Time critical submissions which are approved and recommended by the Chief Risk Officer but are outside the Chief Risk Officer's discretion, in the event of a quorum of the Committee being unavailable, may be given approval by:
- a) The Group Chief Executive Officer (**Chief Executive Officer**) jointly with the Chair of the Committee or the Chair of the Board; or
  - b) if the Chair of the Committee and the Chair of the Board are unavailable, the Chief Executive Officer jointly with one other non-executive director; or
  - c) if the Chief Executive Officer is unavailable - two non-executive directors one of whom should be the Chair of the Board or the Chair of the Committee.
- 6.2 Where approvals are granted under the time critical provision above, the memoranda are to be reported to the next Committee meeting for noting.