

*Risk Committee  
Charter*

---



ISSUE DATE: 30 JULY 2020

# Introduction

This is the Charter of the Risk Committee. The Risk Committee, appointed by the Board of the Company specified in item 1 of the Schedule also operates as the Risk Committee for the Group, and performs the functions outlined in this Charter, for each of the entities (if any) specified in item 2 of the Schedule except where the entity specified in item 2 of the Schedule has appointed its own risk committee.

The purpose of the Risk Committee is to provide an oversight across the Group for all categories of risk, including risk culture. In this role, the Risk Committee has the delegated authority from the Board to approve and oversee the processes used to identify, evaluate and manage risk. At its discretion, the Risk Committee may make recommendations to the Board, including recommendation of the Group's risk appetite.

# Definitions

The following terms have the following meanings:

**“Board”** means the board of the Company and the board of each of the entities specified in item 2 of the Schedule, except for those entities which have appointed their own risk committee or adopted their own risk committee charter.

**“Company”** means the company specified in item 1 of the Schedule.

**“Company Secretary”** means the company secretary of the Company.

**“Group”** means the company specified in item 1 of the Schedule and the entities (if any) specified in item 2 of the Schedule.

**“Group Executive”** means senior executive positions directly reporting to the Group CEO & Managing Director.

**“Partners”** means organisations used by the Suncorp Group to deliver material capability and capacity.

**“Risk Committee”** means the risk committee of the Group.

**“Suncorp Group”** means the Suncorp Group Limited group of companies.

# Role

The Risk Committee is responsible for performing the duties set out in this Charter to enable the Board to fulfil its oversight responsibilities in relation to the Group's:

- identification, assessment and management of risk; and
- adherence to internal risk management policies and procedures.

The role of the Risk Committee is to also monitor risk culture across the Group and to consider actions required to ensure a sound risk culture is established and to make recommendations to the Board as required.

The Risk Committee will be available to meet regulators on request.

## Composition

The Risk Committee will be appointed by the Board and shall comprise not less than three directors. All members of the Risk Committee must be non-executive directors, and a majority of members must be independent.

## Chairman

The Board shall appoint one of the Risk Committee members to serve as the Risk Committee Chairman. The Risk Committee Chairman shall be an independent director. The Risk Committee Chairman will not be the Chairman of the Board. The Risk Committee Chairman and membership will be confirmed annually.

## Administrative matters and procedures

Meetings shall be held at a frequency determined by the Risk Committee but in any event not less than four times per year. Special meetings may be convened by the Risk Committee Chairman as required.

Other non-executive directors of the Board, who are not Risk Committee members, may attend meetings of the Risk Committee as observers and receive copies of papers.

Non-committee members, including the Group CEO & Managing Director, Group Chief Financial Officer, Group Chief Risk Officer, the External Auditor, the Executive General Manager Internal Audit, other Group Executives and any other persons may attend part or all of any meeting of the Risk Committee at the invitation of the Risk Committee Chairman.

The Risk Committee has unrestricted access to Group Executives and their direct reports, senior management, Appointed Actuaries and risk and financial control staff within the Group in order to fulfil its role and undertake its duties.

A quorum of any meeting will be two members or such other number determined by the Board. The agenda and supporting documentation will be circulated to the Risk Committee members in a reasonable period in advance of each meeting.

The secretary of the Risk Committee will be the Company Secretary, or such other person as nominated by the Board. The secretary of the Risk Committee will circulate minutes to members of the Risk Committee and the Board as soon as practicable after each meeting.

The Risk Committee Chairman will provide the Chief Risk Officer with clear right of access to the Risk Committee and the Board.

## Reporting

The Risk Committee shall regularly update the Board regarding Risk Committee activities and make appropriate recommendations. The Risk Committee shall submit regular updates to the Board summarising the Risk Committee's activities (including whether Suncorp is operating within the risk appetite statement, management of significant breaches or incidents and key compliance issues).

The Risk Committee shall submit an annual Letter of Representation to the Audit Committee confirming the status of risk issues relevant to the annual Financial Statements.

The Risk Committee shall provide reports to the People & Remuneration Committee to assist the People & Remuneration Committee in its assessment of risk outcomes and whether remuneration adjustments are required.

The Risk Committee shall regularly review this Charter and its continuing adequacy, together with an evaluation of the Risk Committee's performance and the extent to which the Risk Committee has met the requirements of the Charter.

Specifically, reporting by the Risk Committee will include:

- recommending any changes in the Charter to the Board;
- self-assessing the effectiveness of the Risk Committee on a regular basis;
- regularly reporting to the Board on the activities of the Risk Committee, at a minimum annually;
- referring to the Audit Committee any matters that have come to the attention of the Risk Committee that are relevant for the Audit Committee; and
- referring to the People & Remuneration Committee any matters that have come to the attention of the Risk Committee that are relevant for the People & Remuneration Committee including to allow the People & Remuneration Committee to make recommendations to the Board in relation to remuneration adjustments in light of risk outcomes.

## Duties and Responsibilities

With respect to the identification, assessment and management of risk, the Risk Committee shall, across all risk categories:

- recommend the risk appetite across the Group for approval by the Board;
- recommend the Group's Risk Management Strategies and Enterprise Risk Management Framework for approval by the Board, including recommending any applicable changes;
- monitor the performance of the Group against the Group's Risk Management Strategies and Enterprise Risk Management Framework, whilst doing so ensuring that the entity operates within the risk appetite set by the Board;
- approve and oversee the process developed by the Group Executives to identify principal risks, evaluate their potential impact, and implement appropriate systems to manage such risks;
- approve principles, policies, strategies and processes for the management of risk, including the establishment of other risk committees and the delegation of matters to those committees;
- approve, or where appropriate, make recommendations to the Board as to the exposure limits and risk-taking authority to be delegated by the Board, to the Group CEO & Managing Director, and the Group Executives;
- receive reports from the Group Executives concerning the Group's delegation frameworks, including absolute levels of discretion of the relevant management-level committees and individual Group Executives, in order to consider and, if thought fit, approve or vary them;
- monitor the risk governance processes of the Suncorp Group's Partners;

- receive reports from the Group Executives concerning risk culture and the implications of poor conduct and to consider actions required to ensure a sound risk culture is established and make recommendations to the Board as required;
- receive and review reports from Group Executives concerning the risk implications of new and emerging risks, organisational change and major initiatives, in order to monitor them and make recommendations to the Board as appropriate; and
- receive and review reports from the Group Executives concerning significant risk exposures and risk events, the time frames and resources required to reach any required resolution, and any “lessons learned”, in order to monitor the risk exposures and risk events and as appropriate, if thought fit, approve those reports.

With respect to specific categories of risk, the Risk Committee will review, from time to time, principles, policies, limits, standards, guidelines, Group Executive committee mandates and other significant procedures established by the Group Executives. Categories of risk may include (but are not limited to) strategic, financial, reputational, counterparty, regulatory compliance, conduct, market, operational, asset and liability, liquidity, insurance risk, other non-financial risks and new or emerging issues.

With respect to adherence to internal Risk Management Policies and Procedures, the Risk Committee shall:

- address such risk issues as it considers appropriate in connection with the Group’s strategic use of risk-adjusted capital;
- consider risk aspects of strategies or exposures to industry segments to ensure they are within the overall Group risk tolerances; and
- endorse, approve or review (as the Risk Committee considers appropriate) any transaction or other proposal that involves Group Executives exceeding limits detailed in Group policies, including but not limited to exposures in internal policies and procedures recommended by the Group CEO & Managing Director which exceed the limits delegated to him/her.

With respect to the Suncorp Group’s Compliance Management systems, the Risk Committee shall:

- approve and oversee the Suncorp Group’s legal and regulatory compliance processes developed by the Group Executives, including compliance by subsidiary companies, APRA Regulated Entities, Australian Financial Services Licence and Credit Licence holders, and by internal trustees of the various Suncorp Group trusts, and where considered necessary, commission and direct specific actions and assignment of responsibility to ensure compliance practices are adequate; and
- receive reports from the Group Executives concerning the Group’s Compliance Management processes, in order to consider and, if thought fit, approve or vary them.

## Other Responsibilities

The Risk Committee shall:

- review issues raised by the Chief Risk Officer or other Group Executives, other committees of the Board and External Audit or Internal Audit that impact the risk management framework or the Group’s risk management;
- oversee the process of identification of risks by individual business units and ensure that there is a process for reporting identified risks to the Risk Committee to eliminate gaps in the identification of risks;

- in consultation with the Group CEO & Managing Director, provide prior endorsement for the appointment of (and thereafter monitor his/her performance and objective setting) and, if relevant, removal of the Chief Risk Officer;
- review and make recommendations to the Board on draft statutory statements covering governance and risk management issues in accordance with the requirements of regulators; and
- direct any special investigations deemed necessary, and engage and consult independent experts where considered necessary or desirable to carry out its duties and rely on the advice of such experts.

## Interaction with other committees

The Chairman of the Risk Committee will meet with the Chairman of the Customer Committee, the Chairman of the Audit Committee and the Chairman of the People & Remuneration Committee (and other standing committees of the Board as appropriate) to consider and share key information identified by those committees and where appropriate, reporting to the Board for consideration.

## Function of Representative Parties

It is recognised that members of the Risk Committee are not full-time employees of the Group and generally do not represent themselves to be experts in the fields of risk management. As such, it is not the responsibility of the Risk Committee personally to conduct risk management reviews.

The Group Executives are responsible for implementing, managing and maintaining appropriate risk management systems, policies and procedures, reporting protocols and internal controls designed to ensure compliance with the applicable laws and regulations. The Group Executives will provide regular updates to the Risk Committee on these activities, where appropriate, and will escalate particular issues to the Risk Committee for its review as and when appropriate.

The Risk Committee will evaluate the adequacy and effectiveness of the Group's identification and management of risks and make recommendations to the Board as appropriate.

Internal Audit is responsible for auditing the effectiveness of the risk management framework as implemented across the Group.

## Rights of access and authority

Each member of the Risk Committee has rights of access to executives of the Group, as well as Appointed Actuaries, Internal Audit and External Audit without management present, and rights to seek explanations and additional information from both management and auditors.

# Schedule: Risk Committee Charter

## Item 1: Name of Company

Suncorp Group Limited

## Item 2: Name of Entities

SBGH Limited, Suncorp Insurance Holdings Limited, Suncorp Life Holdings Limited and all other controlled entities within the Suncorp Group except superannuation entities regulated by APRA.