

## Risk and Compliance Committee Charter (RCC) (the Committee)

	Document Information
Document Number	GOVCH006
Effective Date	6 September 2023
Approval State	Approved by the Board on 6 September 2023
Version	5
Replaces Version	4 - Approved by the Board 1 July 2021
Next Review	August 2025
Owner	Company Secretariat

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Togethr Trustees Pty Ltd ABN 64 006 964 049

## 1. Purpose

This Charter sets out the roles, responsibilities, composition and operation of the Risk and Compliance Committee of Togethr Trustees Pty Ltd (the Trustee), as Trustee of the Equip Super (the Fund).

## 2. Objective

The objective of the Committee is to assist the Board in the effective discharge of its responsibilities regarding:

- a) Establishing and overseeing a sound risk culture and system of risk oversight, management and internal control; and
- b) Overseeing the Trustee, the Fund, and related entities' (collectively the Group)'s compliance with all applicable laws, regulations, standards and codes and the provisions of the trust deed for the Fund.

## 3. Authority

- 3.1. The Committee is established by the Board. The Committee's functions and powers are as set out in this Charter or otherwise delegated to it by the Board, in accordance with the Trustee's Constitution and Instrument of Delegation.
- 3.2. This Charter may only be amended with the approval of the Board.

## 4. Role and Responsibilities

- 4.1. The overall role of the Committee is to provide support and make recommendations to the Board related to the matters set out below, and to exercise any delegated authority from the Board in relation to these matters:

### 4.1.1 Risk Management Framework

The Committee is responsible for oversight of the Trustee's Risk Management Framework (RMF), including:

- a) Annually reviewing and recommending to the Board any changes to the RMF to ensure that it accurately reflects the risk exposures of the Trustee and the Fund, in light of the Trustee's strategic objectives, business plan, size, business mix and complexity; and that appropriate controls are in place to manage risk;
- b) Annually reviewing and recommending the Trustee's Risk Appetite Statement (RAS) to the Board for approval;
- c) Annually reviewing and recommending the Trustee's Risk Management Strategy (RMS) to the Board for approval;
- d) Overseeing the triennial comprehensive independent review of the RMF, considering the review findings and management's proposed responses, and maintaining oversight of Management's implementation of the agreed responses;
- e) Monitoring the risk-based implementation of the RMF, the RAS and the RMS;
- f) Annually reviewing and recommending the annual Risk Management Declaration to the Board for approval; and
- g) Recommending the Board notify APRA if it becomes aware of a significant breach of a prudential requirement or material deviation of the RMF.

#### 4.1.2 Risk Management Capability and Culture

The Committee is responsible for:

- a) Overseeing the risk function, including the adequacy of resources and effectiveness in light of the size, complexity and scope of the Trustee's operations;
- b) Monitoring the Trustee's risk culture, identifying any desirable changes to the risk culture, and ensuring the Trustee takes steps to address those changes; and
- c) Encouraging better practice risk management.

#### 4.1.3 Monitoring Risk

The Committee is responsible for:

- a) Reviewing and assessing the various Strategic Risks and Business Risks faced by the Trustee, including any concentrations of risk and interrelationships between risks;
- b) Reviewing Strategic Risks and Business Risks against risk appetite, the adequacy of risk treatment plans, including mitigation policies, procedures and controls developed and implemented by management;
- c) Assessing and monitoring emerging risks for the Trustee and the Fund and seeking assurance that there are appropriate responses and controls in place;
- d) Initiating and monitoring special investigations into areas of risk and breakdowns in controls, and making any necessary recommendations to the Board; and
- e) Considering any other matters relating to risk management and controls that it considers desirable, and examine any other matters referred to it by the Board.

#### 4.1.4 Business Continuity Management (BCM)

The Committee is responsible for the oversight of the Trustee's BCM processes, including:

- a) Triennially reviewing and recommending to the Board any changes to the BCM Policy; and
- b) Overseeing the annual Business Continuity Planning (BCP) testing program; and receiving relevant reporting on the outcomes of the program.

#### 4.1.5 Technology and Information Security

The Committee is responsible for the oversight of the Trustee's technology capability and information security, including:

- a) Reviewing and recommending to the Board any changes to the Trustee's Information Security Framework (ISF) annually; and reviewing and approving the underlying ISF policies and the Data Governance Policy (according to the policies' scheduled reviews<sup>1</sup>);
- b) Overseeing the implementation of the Trustee's information security strategy, technology strategy and ISF through the review of quarterly management reports or other methods determined by the Committee for the purpose of ensuring that obligations are being managed effectively;
- c) Annually reviewing management's Cyber Security Incident Response Plan and testing program;

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<sup>1</sup> For the avoidance of doubt, the RCC does not have authority to approve policies required to be approved by the Board under the relevant APRA Prudential Standards (and any other applicable regulations/laws).

and

- d) Overseeing the Trustee's information security capability with respect to changes in vulnerabilities and threats.

#### 4.1.6 Modern Slavery Statement

The Committee is responsible for annually reviewing and recommending the Trustee's Modern Slavery Statement to the Board for approval.

#### 4.1.7 Fraud Management and Whistle-blower Protection

The Committee is responsible for:

- a) Biennially reviewing and approving updates to the Trustee's Fraud Control Plan and Policy;
- b) Evaluating exposure to fraud including reviewing reports from management on any misappropriation of funds, frauds, thefts or losses, and the action taken by management to prevent any recurrence; and
- c) Biennially reviewing and approving updates to the Trustee's Whistle-blower Protection Policy and overseeing its implementation.

#### 4.1.8 Compliance

The Committee is responsible for overseeing the implementation and effectiveness of the Company's compliance systems, including:

- a) Reviewing and recommending to the Board any changes to the Trustee's Compliance Management Framework (CMF) at least triennially; and reviewing and approving the underlying CMF policies (according to the policies' scheduled reviews);
- b) Overseeing the implementation of the CMF through the review of quarterly management reports or other methods determined by the Committee for the purpose of ensuring that compliance obligations are being managed effectively;
- c) Monitoring compliance with the Trustee's frameworks, policies and procedures, including the management of any significant non-compliance incidents or breaches; and reporting/escalating to the Board, where necessary;
- d) Monitoring any significant legislative breaches that occur, including their timely management and remediation, and reporting to the appropriate regulator(s), as required; and reporting/escalating to the Board, where necessary;
- e) Receiving feedback from the Governance and Culture Committee (GCC) on any non-compliance with the Trustee's Gifts, Benefits and Hospitality Policy and/or Conflicts Management Policy;
- f) Providing feedback to the GCC regarding the Executive Officers' risk and conduct performance outcomes, to support the annual remuneration review;
- g) Overseeing the incident and breach handling process to ensure they are operating effectively, and making any necessary recommendations to the Board; and
- h) Consider any other matters relating to compliance management that it considers desirable, and examine any other matters referred to it by the Board.

#### 4.1.9 Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)

The Committee is responsible for overseeing the Trustee's AML/CTF activities, including:

- a) Overseeing the Trustee's framework for identifying, mitigating and managing risks the Company may reasonably face in providing designated services that might involve or facilitate money laundering and terrorism financing; and
- b) Reviewing and recommending to the Board any changes to Part A and Part B of the Trustee's AML/CTF Program<sup>2</sup>.

#### 4.1.10 External Environment

The Committee is responsible for overseeing the Trustee's response to any significant external events, including regulatory engagement, legislative and regulatory change, that impact the Trustee's risk profile.

#### 4.1.11 External and Internal Auditors

The Committee may receive reports from the Trustee's Internal Auditor and/or External Auditor from time to time.

### 5. Committee Chair

5.1 The Committee Chair is appointed by the Board.

5.2 The Committee Chair is responsible for:

- a) Efficient conduct of the Committee's functions;
- b) Ensuring the Committee's responsibilities are properly discharged;
- c) Facilitating the effective contribution of all Committee members; and
- d) Reporting to the Board and, where appropriate, making recommendations to the Board.

5.3 The Committee Chair must be a Director and cannot be the Chair of the Board.

### 6. Meetings

6.1 The Committee will generally meet at least four times per year, or as otherwise required for the proper and efficient discharge of its functions and responsibilities.

6.2 All Committee members are expected to attend each meeting unless they are genuinely unable to do so.

6.3 A Committee member may requisition a Committee meeting at any time.

6.4 Committee members may participate in meetings by attending in person, or by means of telephone or video conference or electronic means as deemed appropriate.

6.5 With consent of the Committee Chair, the Committee may meet without the presence of management at any time either prior to, or during, any meeting.

6.6 All Directors, the Internal Auditor and the External Auditor, have a standing invitation to attend all Committee meetings.

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<sup>2</sup> For the avoidance of doubt, the RCC does not have authority to approve policies or programs required to be approved by the Board under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (and any other applicable regulations/laws).

6.7 The Executive Officer, Governance & Risk (EOGR), the Head of Risk and the Head of Compliance are generally expected to attend all meetings of the Committee (unless requested by the Committee Chair to be absent). Other members of management and service providers attend Committee meetings as required.

6.8 If the Committee Chair is unable to attend a meeting, or is unwilling to act, the remaining Directors will select a Chair for that meeting.

## **7. Access to the Committee**

The Internal Auditor, the External Auditor, Fund Actuaries, the EOGR, the Head of Risk and the Head of Compliance have free and unfettered access at all times to the members of the Committee and the Board as a whole to discuss any matters which they think appropriate.

## **8. Composition**

8.1 The Committee is comprised of four Directors.

8.2 The Board may appointment additional Committee members from time to time, who may be Directors or external parties with specialist expertise. The Board may also appoint specialist consultants to assist the Committee in carrying out its role and responsibilities, including in relation to specific matters or on a general or ongoing basis, provided that such consultant(s) are considered by the Board to have the required independence and objectivity to be able to effectively advise the Committee.

## **9. Voting and Quorum**

9.1 The Committee is expected to make decisions on a consensus basis. However, where a consensus cannot be reached, a vote will be undertaken.

9.2 Agreement by two thirds majority of Committee members present and able to vote is required for all resolutions.

9.3 A quorum of the Committee will be three members.

## **10. Written Resolutions**

10.1 If a two thirds majority of Committee members entitled to vote assent to a document containing a resolution (Written Resolution), then the Written Resolution is to be taken as having been passed by a meeting of the Committee.

10.2 The Written Resolution is to be taken as having been passed on the day on which it was last approved by a Committee member entitled to vote.

10.3 A Committee member entitled to vote may signify his/her assent to a Written Resolution by signing it, or by notifying the Committee of his/her assent in person or by post, fax, telephone or other electronic means. Committee members entitled to vote may sign the same copy or separate (identical) copies of the Written Resolution.

## **11. Agendas and papers**

11.1 An agenda will be prepared by the Company Secretary or their delegate and approved by the Committee Chair, prior to each meeting.

11.2 The agenda and supporting papers for each meeting will be distributed to Committee members and other attendees in enough time to enable Committee members to read the material and prepare for the meeting.

## **12. Conflicts of Interest**

- 12.1 All Committee members must have the ability to recognise and disclose actual, perceived and potential material conflicts and ensure they are appropriately managed or avoided to ensure that priority is given to the best financial interests of the Fund's beneficiaries.
- 12.2 Conflict procedures are included as a standing agenda item for every meeting. The Committee Chair reminds members at the beginning of every meeting of their obligation to disclose any conflict or potential conflict with regard to any agenda item for consideration at that meeting.
- 12.3 Any identified conflicts are recorded, along with the action taken to avoid or manage the conflict, in accordance with the Trustee's Conflict Management Policy.
- 12.4 Where a recorded conflict could reasonably be foreseen to impact an agenda item, the Committee member(s) affected shall not receive the papers for that agenda item.

## **13. Reporting**

- 13.1 The Company Secretary or their delegate will be responsible for taking, writing and presenting formal and accurate minutes of all Committee meetings.
- 13.2 The minutes of all Committee meetings are to be distributed to the Committee Chair for review, within a reasonable time.
- 13.3 The minutes will thereafter be submitted to Committee members for their review, with the final version to be approved and (unless the Committee determines otherwise) signed at the next meeting by the Committee Chair or other person chairing the meeting.
- 13.4 The Committee, via its Chair, will report to the Board on a regular basis.

## **14. Review**

- 14.1 On an annual basis, the Committee will review the appropriateness and effectiveness of the Committee's composition and its performance. Subsequently, the Committee Chair will provide a verbal report on the outcomes of the review to the Board.
- 14.2 An independent review of the Committee's effectiveness, performance and composition will be conducted every three years. This review may be undertaken in conjunction with the triennial independent Board performance assessment.
- 14.3 The Committee will review this Charter at least every two years for ongoing relevance and effectiveness.