

# Risk Committee Charter

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Togethr Trustees Pty Ltd ABN 64 006 964 049

## **1. Purpose**

- 1.1. This Charter sets out the roles, responsibilities, composition and operation of the Risk Committee of Togethr Trustees Pty Ltd (Trustee), as trustee of the Equipsuper Superannuation Fund (Equip) and the MyLifeMyMoney Superannuation Fund (MLMM) together referred to as the Funds.

## **2. Objective**

- 2.1. The overarching objective of the Committee is to assist the Board in the effective discharge of its responsibility to establish and oversee a sound system of risk oversight, management and internal control.

## **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.

## **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:

### **4.2. Risk Management Framework**

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

- (a) Reviewing and assessing the effectiveness of the RMF in light of the Trustee's strategic objectives, business plan, size, business mix and complexity, including the triennial comprehensive review of the RMF, with the final report to be presented to the Board; and
- (b) Annually reviewing the RMF to ensure that it accurately reflects the risk exposures of the Trustee and Fund, and appropriate controls are in place to manage risk;
- (c) Reviewing and recommending the Trustee's risk appetite and risk tolerances to the Board for approval;
- (d) Reviewing and recommending the Trustee's Risk Management Strategy (RMS) to the Board for approval;
- (e) Monitoring the risk-based implementation of the RMF and the RMS;
- (f) Providing advice to the Audit and Compliance Committee on the content of the annual risk management declaration; and
- (g) Recommend the Board notify APRA if it becomes aware of a significant breach of a prudential requirement or material deviation of the RMF.

### **4.3. 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 Togethr Group's operations;
- (b) Driving and monitoring the Risk Transformation Program;
  - (c) Instilling an appropriate risk culture across the Trustee's operations;
  - (d) Overseeing the risk culture, including the extent to which the risk culture supports the Trustee to operate consistently within its risk appetite, and identifying any desirable changes to the risk culture and ensuring the Trustee takes steps to address those changes;
  - (e) Encouraging best practice risk management.

#### **4.4. *Monitoring Risk***

The Committee is responsible for:

- (a) Reviewing and assessing the various material risks faced by the Trustee, including any concentrations of risk and interrelationships between risks;
- (b) Reviewing the adequacy of risk treatment of material risks, including mitigation policies, procedures and controls developed and implemented by management;
- (c) Assessing and monitor emerging risks across the Togethr Group and ensure there are appropriate responses and controls in place;
- (d) Initiating and monitoring special investigations into areas of corporate risk and break-downs in internal control, and making any necessary recommendations to the Board; and
- (e) Considering any other matters relating to risk management and internal controls that it considers desirable, and examine any other matters referred to it by the Board.

#### **4.5. *Business Continuity Management***

The Committee is responsible for the oversight of the Trustee's business continuity management (BCM) processes, including:

- (f) Reviewing the BCM Policy and recommending any changes to the Board for approval; and
- (g) Oversight of the annual testing program; and receiving relevant reporting on the outcomes of the program.

#### **4.6. *Information and Data Governance Framework***

The Committee is responsible for the oversight of the Trustee's Information and Data Governance Framework (IDGF), including:

- (a) Oversight of the appropriateness, adequacy, and effectiveness of the IDGF;
- (b) Triennial review of the IDGF to ensure it is commensurate with the size and extent of threats to the Trustee's information assets, with the final report to be presented to the Board;
- (c) Annually reviewing Management's information security response plans and testing program; and
- (d) Evaluating the Trustee's information security capability with respect to changes in

vulnerabilities and threats.

#### **4.7. *Anti Money Laundering, Counter Terrorism and Fraud Management***

The Committee is responsible for:

- (a) Overseeing, reviewing and approving changes to the 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;
- (c) Reviewing the Whistle-blower Protection Policy and overseeing the implementation of the Whistle-blower Protection Policy;
- (d) Overseeing the Trustee's framework for identifying, mitigating and managing risks the Trustee may reasonably face in providing designated services that might involve or facilitate money laundering and terrorism financing; and
- (e) Reviewing and approving changes to Part A and Part B of the Anti Money Laundering and Counter Terrorism Program.

#### **4.8. *Capital Management***

The Committee has oversight of the Trustee's Capital Management Strategy and is responsible for making recommendations to the Board.

#### **4.9. *Outcomes assessment***

The Committee is responsible for the oversight of the annual scale determination for the MySuper investment option (which will become the member outcomes assessment from January 2020), and making recommendations to the Board for approval.

#### **4.10. *External Environment***

The Committee is responsible for reviewing and monitoring any significant external events, including legislative and regulatory change, that impact the Trustee's risk profile. The Committee is also responsible for ensuring the Trustee responds appropriately to significant external events.

### **5. *Committee Chair***

5.1. The Committee Chair will be appointed by the Board.

5.2. The Committee Chair will be 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. All Committee members are expected to attend each meeting, unless they are genuinely unable to do so.
- 6.2. A Committee member may requisition a Committee meeting at any time. Committee members may participate in meetings by attending in person, or by means of telephone or video conference or electronic means as deemed appropriate.
- 6.3. 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.
- 6.4. All Directors, the Internal Auditor and the External Auditor have a standing invitation to attend all Committee meetings.
- 6.5. The CEO, Executive Officer – Governance & Risk (Company Secretary), and Head of Risk 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.
- 6.6. 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**

- 7.1. The Internal Auditor, External Auditor, Fund Actuaries, Executive Officer – Governance & Risk and Head of Risk 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 management 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.

## **9. Voting and Quorum**

- 9.1. Agreement by two thirds majority of Committee members present and able to vote is required for all resolutions.
- 9.2. A quorum of the Committee will be three members.

## **10. Agendas and papers**

- 10.1. An agenda will be prepared by the Company Secretary and approved by the Committee Chair, prior to each meeting.
- 10.2. Agendas and papers will clearly identify whether a decision is to be made at the Trustee level, or whether the information / decision is specific to Equip or specific to MLMM.
- 10.3. 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.

## **11. Conflicts of Interest**

- 11.1. 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 interests of the beneficiaries of the Funds.
- 11.2. 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.
- 11.3. Any identified conflicts are recorded, as well as the action taken to avoid or manage the conflict, in accordance with the Trustee's Conflict Management Policy.
- 11.4. 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.

## **12. Reporting**

- 12.1. The Company Secretary or their delegate will be responsible for taking, writing and presenting formal and accurate minutes of all Committee meetings.
- 12.2. The minutes of all Committee meetings are to be distributed to the Committee Chair for review, within a reasonable time.
- 12.3. 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.
- 12.4. The Committee, via its Chair, will report to the Board on a regular basis.

## **13. Review**

- 13.1. On an annual basis, the Committee should review the appropriateness and/or effectiveness of the Committee's composition and its performance. Subsequently, the Committee Chair should provide a verbal report on the outcomes of the review to the Board.
- 13.2. An independent review of the Committee's effectiveness, performance and composition should be conducted every three years. This review may be undertaken in conjunction with the comprehensive review of the Trustee Board conducted every three years.
- 13.3. This Charter will be reviewed at least every two years for ongoing relevance and effectiveness.