

ClearView Wealth Limited

ABN 83 106 248 248

Board Risk and Compliance Committee Charter

20 June 2017

Document Control & Version History

Policy	Board Risk and Compliance Committee Charter
Document Owner	Legal and Company Secretariat

Record of Amendments, Authorisations & Issues

Version	Revision Date	Drafted by	Nature of Amendment	Approval Required
1.0	20 June 2017	Legal and Company Secretariat	Minor amendments	BRCC

1. Purpose

- 1.1 To assist the Board and the boards of the ClearView Companies by providing objective non-executive oversight of the implementation, maintenance and operation of the Group's risk management framework and compliance framework.
- 1.2 To assist the Board in formulating and maintaining a risk appetite statement, to advise on the Board-approved risk management strategy and otherwise fulfil the risk management and compliance responsibilities of the Committee under APRA Prudential requirements.

2. Authority

- 2.1 Subject to section 2.3 below, the Committee can exercise the powers of the Board under the Relevant Law and ClearView's constitution that it reasonably considers are necessary to enable it to perform its roles and responsibilities under section 3 and has authority to conduct or authorise investigations into any matters within its scope of responsibility.
- 2.2 The powers of the Committee under section 2.1 include the power to:
 - (a) Meet with and seek any information it requires from employees, officers and directors of the ClearView Companies, all of whom are directed to cooperate with requests from the Committee or the chair of the Committee, and also the internal and external Auditors; and
 - (b) Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- 2.3 ClearView delegates its powers under section 2.1 above to the Committee subject to:
 - (a) the Committee complying with the duties imposed on Directors by:
 - the *Corporations Act 2001* (Cth);
 - the *Life Insurance Act 1995* (Cth);
 - the *Insurance Contracts Act 1984* (Cth);
 - the *Superannuation (Industry) Supervision Act 1993* (Cth); and
 - ClearView's constitution.
 - (b) the Committee not causing ClearView or a ClearView Company to be in breach of the Relevant Law;
 - (c) conditions of ClearView's registration as a non-operating holding company; and
 - (d) any policy, guideline, values, governance framework or specific direction of ClearView which relates to the exercise of the powers delegated to the Committee.

3. Responsibilities

- 3.1 To provide objective non-executive oversight of the implementation, maintenance and operation of ClearView's risk management framework.
- 3.2 Assist the Board in formulating and maintaining a risk appetite statement with appropriately set risk

tolerances in respect of each material risk and advising the Board on the overall current and future risk appetite and risk management strategy;

- 3.3 Adhering the Board Risk Committee requirements set out in relevant Prudential Standards;
- 3.4 Recommend for Board approval a risk management framework consistent with the Group risk appetite, statutory and regulatory requirements, including *Prudential Standard SPS 220 Risk Management (SPS220)* and *Prudential Standard CPS 220 Risk Management (CPS220)*;
- 3.5 Oversee the Group compliance framework, including review and assessment of its effectiveness in identifying, monitoring and managing compliance with laws, regulations and internal company policies;
- 3.6 Monitor the risk profile of the Group against the Group risk appetite and risk management framework;
- 3.7 Oversight of an enterprise-wide view of the Group's current and future risk position relative to its risk appetite and capital strength;
- 3.8 Oversight of senior management's implementation and maintenance of the risk management strategy and constructive challenge of senior management's proposals and decisions on all aspects of risk management arising from the Group's activities;
- 3.9 Approve or recommend for Board approval policies, procedures, charters and other governance instrument(s), in respect of material risks and compliance;
- 3.10 Set delegations which support the risk management strategy and risk appetite, and monitor compliance with those delegations;
- 3.11 Ensure that an appropriate risk-aware and compliance culture is embedded throughout the Group;
- 3.12 Monitor adherence to risk and compliance policies and procedures;
- 3.13 Provide input to the Board and Board Audit Committee in relation to risk disclosures in financial statements and other public statements;
- 3.14 In consultation with the Board Audit Committee, understand how the internal audit plan is aligned with the risks that have been identified and with risk and compliance governance;
- 3.15 Review of the annual Risk Management Declaration, and recommending its approval to the Board;
- 3.16 Assist the Nomination and Remuneration Committee in developing and monitoring remuneration arrangements and practices of the ClearView Companies, with a view to ensuring effective alignment of remuneration with prudent risk-taking, within the risk management framework of the group;
- 3.17 Oversight of the appointment and removal of the CRO, including that the Committee must provide prior endorsement for the appointment or removal of the CRO [Note: If the CRO is removed from their position, the reasons for removal must be discussed with APRA as soon as practicable, and no more than 10 business days, after the Committee's endorsement is agreed upon].;
- 3.18 Review the performance of and setting the objectives of the CRO;
- 3.19 Ensuring the Committee has free and unfettered access to the CRO, other senior management, risk and financial control personnel, and other parties (internal and external) in carrying out its duties and vice versa. The Committee must invite the CRO to attend all relevant sections of meetings of the Committee; and
- 3.20 Review the Statement of Compliance with Financial Services Council Standards of the relevant ClearView Companies, prior to endorsement by the relevant ClearView Company board.

4. Composition

4.1 Membership

- (a) Each member of the Committee is appointed by the Board.
- (b) The Committee must comprise at least 3 members, all of whom must be Non-Executive Directors.
- (c) A majority of the members of the Committee must be Independent Directors of ClearView.
- (d) The chair of the Board of ClearView or of any of the ClearView Companies may be a member of the Committee, but may not be chair of the Committee.
- (e) At least one member of the Committee must have recent and relevant risk experience.

4.2 Cessation

The Board may at any time remove any individual from the Committee and need not give a reason for doing so. If a member of the Committee ceases for any reason to be a Director, that individual automatically ceases to be a member of the Committee.

4.3 Fees

The services of a member of the Committee are beyond the ordinary duties of a Director. Accordingly, under cl. 6.3(f) of the Constitution of ClearView, Committee members are entitled to receive remuneration as determined from time to time by the Board (on the recommendation of the Nomination and Remuneration Committee of ClearView).

5. Chair

5.1 Appointment

- (a) The chair of the Committee is appointed by the Board.
- (b) The chair of the Committee must be an Independent Director of ClearView and may not be chair of the Board.

5.2 Acting chair

If the chair of the Committee is absent from a meeting of the Committee and no acting chair has been appointed, the members of the Committee present at the meeting must choose one of the members of the Committee present, whether independent or not, to chair that particular meeting.

6. Secretary

6.1 Appointment

The Committee must appoint a secretary of the Committee.

6.2 Minutes

The secretary of the Committee must ensure that minutes are taken of meetings of the Committee. If the

secretary is asked to withdraw for all or any part of any meeting the chair must ensure that minutes are taken in respect of that part of the meeting.

7. Meetings

7.1 Meetings

When meeting, the Committee must have regard to each ClearView Company whose financial situation and risk management framework is under consideration and the interests' particular to that particular ClearView Company.

7.2 Meetings other than in person

The Committee may meet for the dispatch of business, adjourn and otherwise regulate their meetings as they see fit.

The Committee may conduct meetings by telephone or other form of communication without a member being in the physical presence of another member or other members.

7.3 Frequency

The Committee must meet often enough to undertake its role effectively. The Committee must meet at least 3 times per calendar year.

7.4 Quorum

A quorum for a meeting of the Committee is 2 members provided a majority of members present are Independent Directors of ClearView.

7.5 Voting

- (a) Voting at a Committee meeting is by simple majority and shall require a minimum of 2 votes in favour of the proposal.
- (b) The chair has a casting vote (if required).

7.6 Other attendees

- (a) Other members of management of ClearView or of any of the ClearView Companies, or parties external to ClearView, may be invited to attend any meeting of the Committee; and
- (b) The CRO and Head of Group Risk and Compliance must be invited to attend any meeting, and/or relevant section of the meeting of the Committee.

7.7 Delegation by the Board and on delegation to Sub-committees

The Committee's responsibilities including having authority to review and approve, on behalf of the Board, ClearView policies, charters and codes of conduct, and the Committee has the power to delegate this authority, on certain matters, in full or in part, to the Chairman of the Committee as it sees fit from time to time.

The Committee may at any time form and delegate authority to sub-committees, comprised of one or more members of the Committee as it considers necessary or appropriate. Each sub-committee has the full power and authority of the Committee, subject to the terms of its delegated authority.

8. Reporting by the Committee

8.1 Circulation of minutes

Minutes of each meeting of the Committee must be approved and signed by either the chair of the Committee or the chair of that meeting and then provided to the Board and to the board of each of the ClearView Companies at the next meeting of the Board or the board of the relevant ClearView Company.

8.2 Reports to the Board

The Committee must:

- (a) Through its chair, report regularly to the Board and to the board of each of the ClearView Companies at the earliest possible board meeting after each meeting of the Committee about Committee activities, issues and related recommendations. Such report should include any matters that, in the opinion of the Committee, should be brought to the attention of the relevant board, and any recommendations requiring the approval of the relevant board;
- (b) Ensure that a report to shareholders of ClearView is prepared annually describing the Committee's composition, responsibilities and how they were discharged, and any other information required by regulation; and
- (c) Review any other reports that any of the ClearView Companies issue that relate to the Committee's responsibilities.

9. Other responsibilities of the Committee

9.1 Review of Charter

The Committee must, each year, review and assess the adequacy of this Charter and recommend to the Board any changes that the Committee considers are desirable.

9.2 Annual performance appraisal

An evaluation of the performance of the Committee and each individual Committee member's performance and the extent to which the Committee and each member has met the requirements of this Charter will be conducted through the Board's annual performance appraisal process.

9.3 Publication of Charter

This Charter will be made available by posting it to the website of ClearView.

10. Definitions and Interpretation

10.1 In this Charter, unless the contrary intention appears:

“APRA” means the Australian Prudential Regulation Authority;

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means the Australian Securities Exchange;

“**at any time**” means at any time and from time to time;

“**Auditor**” means an external firm registered as an auditor, who is appointed as auditor of ClearView or of a ClearView Company under the Corporations Act and, in particular, the Audit, Risk and Compliance engagement partner within that firm;

“**Board**” means the board of directors of ClearView;

“**Chief Risk Officer**” (or **CRO**) means the role and the person appointed to that role in accordance with the requirements of CPS220, and otherwise means the head of risk function within ClearView’s management team.

“**ClearView**” means ClearView Wealth Limited (ACN 106 248 248);

“**ClearView Companies**” means ClearView and the following subsidiary companies of ClearView:

- ClearView Group Holdings Pty Limited,
- ClearView Financial Management Limited,
- ClearView Life Nominees Pty Limited and its RSE, ClearView Retirement Plan,
- ClearView Financial Advice Pty Limited,
- Matrix Planning Solutions Limited,
- Matrix Planning Investments Pty Limited, and
- ClearView Administration Services Pty Limited,

and “**a ClearView Company**” accordingly bears an appropriate meaning;

“**Committee**” means the Board Risk and Compliance Committee established by resolution of the Board, and whose Charter this is;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Director**” means a member of the Board or of the board of directors of one of the ClearView Companies;

“**Group**” means the ClearView Companies collectively, as defined above;

“**Independent Director**” has the same meaning as in the Prudential Standard CPS 510 ‘Governance’;

“**Non-Executive Director**” has the same meaning as in the Prudential Standards CPS 510 ‘Governance’ and SPS 510 ‘Governance’;

“**Prudential Standard**” means a Prudential Standard issued by APRA;

“**RSE**” means the ClearView Retirement Plan as the Registrable Superannuation Entity;

“**RSE Licensee**” means ClearView Life Nominees Pty Limited;

“**Relevant Law**” means:

- the *Life Insurance Act 1995* (Cth),
- the *Insurance Contracts Act 1984* (Cth),
- the *Superannuation (Industry) Supervision Act 1993* (Cth),
- the *Corporations Act 2001* (Cth),

- the *Financial Sector (Collection of Data) Act 2001* (Cth),
- any other present or future law of Australia or a State or Territory of Australia with which ClearView or a ClearView Company must comply,
- any direction, instruction, ruling or guideline given by a person duly authorised by a competent Parliament for this purpose which ClearView determines is legally required to be followed,
- any direction, instruction, ruling, guideline, licence or registration condition issued by the applicable person who exercises a statutory function in relation to that matter, and
- any present or future law of Australia or a State or Territory of Australia which ClearView determines to be a Relevant Law for the purpose of this Charter.

10.2 In this Charter:

- (a) references to any statute or other law includes all laws changing, consolidating or replacing them, and includes all laws, regulations, modification orders and other instruments issued under the statute or law;
- (b) references to regulatory standards or guidelines of APRA or ASIC are construed as references to those for the time being in place;
- (c) all matters which are stated as being included in (or examples within) the scope of an expression do not limit the scope and generality of that expression; and
- (d) references to ASX Listing Rules (“LR”), clauses of the constitution of ClearView (“cl.”), or 3rd edition Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council (“CGPR”) are construed as references to those for the time being in force.