

**Australian Payments Plus Ltd (ACN 649 744 203)**

**RISK COMMITTEE CHARTER**

**1. PURPOSE OF CHARTER**

This charter (**Charter**) sets out the role, functions, structures and processes of the Risk Committee (**Committee**) of Australian Payments Plus Ltd (**AP+**) and each of its wholly owned subsidiaries (the **Company** for the purposes of this Charter).

**2. COMMITTEE OBJECTIVES**

The objectives of the Committee are to assist the Board of the Company to fulfil its obligations with respect to:

- the adequacy and effectiveness of the internal control and risk management environment;
- the Company's processes for monitoring compliance with relevant laws and regulations.

The Committee also provides a forum for communication between the Committee members, management and the internal and external auditors.

**3. RESPONSIBILITIES**

Consistent with the objectives of this Charter, the Committee has the following responsibilities:

**(a) Internal Control and Risk Management**

1. Approve and periodically review the Company's risk policy and risk appetite statement;
2. Ensure that the Company has an appropriate risk management framework for the effective identification, assessment, reporting, and management of risks and undertake a periodic review of this framework.
3. Ensure that the Company's policies and procedures require business areas within the Company to regularly assess, monitor, and take action to manage risks to an acceptable level.
4. Monitor and advise the Board, and provide guidance to management on request, on the effectiveness of the Company's administrative policies, financial practices and controls, having regard to changes in legislation and regulation that may require changes to the Company's risk policies.
5. Approve and periodically review and approve changes to the risk policies of the Company (as they exist from time to time).

**(b) Compliance**

1. Review the effectiveness of the Company's systems for monitoring compliance with laws, regulations and any actions taken by management in the event of non-compliance.
2. Develop frameworks and respective governance structures flexible to global standards and stakeholder expectations in relation to environmental, social and governance issues.
3. Obtain regular updates from management and, where appropriate, the Company's lawyers on fraud, compliance matters, disputes, claims and protected disclosures under applicable whistleblower laws or policies that may have a material impact on the company's reputation and/or financial statements.
4. Liaise with management and, where necessary, regulators and appropriate authorities about the results of any examination or investigation of the Company's compliance practices including any breaches of processes, system failures or

avoided incidents, or investigations of reportable conduct under any whistleblower laws or policy.

#### **4. GOVERNANCE**

##### **(a) Committee Membership**

1. The Chair and members of the Committee are appointed and removed by the Board.
2. The Committee will consist of at least three independent non-executive directors and the Chief Executive Officer.
3. The Chair of the Committee must not also be the Chair of the Board.
4. The members of the Committee will collectively have expertise in risk matters, legislative and regulatory compliance and an understanding of the banking and payments industries.
5. The Chief Executive Officer will be a permanent member of the Committee. The term of appointment of members (other than the Chief Executive Officer) is two years.
6. If the Board determines that a Committee member is unable to perform the role of Committee member due to illness or other incapacity, the Board may remove and replace that member with another director.

##### **(b) Proceedings of Committee**

1. The Committee meets at least four times a year and more frequently as required. The internal or external auditors may request a meeting and such a request is to be met.
2. The quorum for a meeting of the Committee is a majority of Committee members.
3. Video or conference call participation by Committee members, or other attendees, requires the Chair's approval.
4. Committee members will be invited to disclose conflicts of interests at the commencement of each meeting.
5. The Committee will seek to make unanimous decisions in the first instance. If unanimity cannot be reached and the matter requires a decision, the Committee may vote on the matter. Each member has one vote other than the Chief Executive Officer. Support of a simple majority of voting members present is required for a decision to be made.
6. The Committee may invite non-members to its meetings to provide advice from time to time and may also call on independent expertise as required.
7. At times the Chief Executive Officer and management personnel will be invited to leave the meeting to allow the Committee to have a closed session either with or without the presence of the external or internal auditor.
8. The Company Secretary or another designated person will undertake the duties of secretariat. Management will provide support to the Committee as required.
9. In addition to the matters set out in this Charter, the provisions of the Constitution that apply to meetings and resolutions of directors, apply to meetings and resolutions of the Committee.

##### **(c) Authority and Accountability**

1. The Committee is established by the Board, under Article 9.6 of the Constitution.
2. The Committee is authorised to:
  - to approve policies for the Company relating to risk and compliance matters;
  - to obtain, at the Company's reasonable expense, external legal or other professional advice on any matter within its charter, subject to Board approval; and
  - seek any information it requires from employees, who are directed to co-operate with the Committee's requests, or from external parties.

##### **(d) Reporting**

1. The Committee will report to the Board within a reasonable period, as required, and will exercise its powers in accordance with any directions of the Board.
2. The Committee will inform the Board of matters arising from time to time that may significantly impact on the Company's financial position or the Company's operations. The Committee will also keep the Board informed of the Company's major risks and changes to its risk profile.

**(e) *Review of Charter and Policies***

1. The Committee will review this Charter and the Policies referred to in this Charter annually so that they remain consistent with the Board's objectives and responsibilities.
2. The Board may amend this Charter in its own right or on the recommendation of the Committee.

**7. GLOSSARY**

Words defined in the Constitution have, unless the contrary intention appears, the same meaning in this Charter.