

Risk & Compliance Committee Charter

**HCF Life Insurance Company Pty Ltd (ACN
001 831 250)
(the "Company")**

Contents

1.	Introduction and Purpose of this Charter	1
2.	Role and Responsibilities of the Committee	1
2.1	Role	1
2.2	Responsibilities	1
3.	Role of the Chair	2
4.	Role of Committee Members	2
5.	Role of Management	2
	Primary Responsibility.....	2
	Communication.....	3
6.	Committee Structure.....	3
6.1.	Composition.....	3
6.2.	Chair.....	3
6.3.	Attendance at meetings by non-members.....	3
7.	Conduct of Committee Business.....	3
7.1.	Frequency of meetings.....	3
7.2.	Quorum	3
7.3.	Secretary.....	3
7.4.	Conduct of meetings	3
7.5.	Access to Information and Independent Advice.....	4
8.	Reporting	4
9.	Evaluation of Committee Performance	4
10.	Review of Charter.....	4

1. Introduction and Purpose of this Charter

The Risk & Compliance Committee (**Committee**) has been established by the Board of HCF Life Insurance Company Pty Limited (**Board**) to provide an objective, non-executive review of the effectiveness of the Company's risk management framework and compliance management in accordance with legislative and regulatory requirements, including the Life Insurance Act 1995 and Prudential Standard CPS 220 issued by the Australian Prudential Regulation Authority (**APRA**).

The Board authorises the Committee, within the scope of its responsibilities, to perform the activities identified in this Charter.

The Committee will report on its proceedings and make its recommendations to the Board.

2. Role and Responsibilities of the Committee

2.1 Role

The principal role of the Committee is to assist the Board in fulfilling their corporate governance and oversight review responsibilities in objectively assessing the effectiveness of the Company's risk and compliance management framework, including ensuring that an appropriate framework of policies, procedures, internal controls, reporting, ethical standards (including the HCF Code of Conduct) and management accountability are established for risk management and legal/regulatory compliance and are consistently maintained. This responsibility includes recommending to the Board the allocation of appropriate resources to achieve the results targeted.

2.2 Responsibilities

The Committee's specific objectives and responsibilities are:

Risk Management and Compliance

- a) reviewing and recommending the company's risk appetite statement for consideration by the Board;
- b) advising the Board on the Company's overall current and future risk appetite and risk management strategy;
- c) at least annually reviewing the Company's risk management framework for identifying, monitoring and managing significant business as well as economic, environmental and social risks facing the Company to ensure the risk management framework remains sound and that the Company is operating within the risk appetite set by the Board;
- d) periodically (and at least every three years) reviewing the report by an operationally independent, appropriately trained and competent person on the appropriateness, effectiveness and adequacy of the Company's risk management framework;
- e) assessing the adequacy of the Company's written policies to manage risk and the effectiveness of procedures in place to monitor and evaluate compliance with such policies;
- f) reviewing and making recommendations on the appropriate level and quality of reporting on the performance and application of the risk management system;
- g) reviewing the Company's systems and procedures for compliance with applicable legal and regulatory requirements including the timely identification and implementation of legislative or regulatory change;
- h) receiving regular reports from management on fraud, significant compliance breaches and material risk incidents as well as a summary of Financial Ombudsman Service complaints, and monitoring actions taken to ensure that any incidents identified are promptly rectified;
- i) reviewing and recommending to the Board for approval the HCF Group's Whistleblower Protection Policy for the confidential disclosure of known or suspected breaches of the HCF Group's Code of Conduct, policies or laws and monitor its effectiveness;

Corporate Insurance Program

- j) assessing the appropriateness and adequacy of the Company's corporate insurance program in relation to managing risks; and

- k) reviewing and recommending to the Board for approval any significant changes to the Company's corporate insurance program.

Chief Risk Officer

- l) recommending to the Board the appointment or removal of the Chief Risk Officer;
- m) reviewing the performance and setting the objectives of the Company's CRO;
- n) ensuring the CRO has unfettered access to the Board and the Committee; and
- o) ensuring APRA is notified as soon as practical, and no more than 10 business days, following the removal of the CRO.

3. Role of the Chair

The Chair is responsible for:

- a) providing appropriate leadership to the Committee;
- b) setting the agenda, style and tone of Committee discussions;
- c) monitoring the performance of the Committee; and
- d) liaising with any person as deemed necessary to assist with fulfilling the responsibilities of the Committee.

4. Role of Committee Members

Committee members are responsible for:

- a) ensuring they understand the Company's structure, controls and types of transactions in order to adequately assess the significant risks faced by the Company and the effectiveness of its compliance culture, programs and processes;
- b) ensuring they understand the management responsibilities, performance measures, business, objectives and operating environment of the Company;
- c) disclosing to the Committee any actual or potential conflict of interest (including details of transactions and relationships) that may exist or might reasonably be thought of to exist in relation to their role and responsibilities as a Committee Member as soon as the situation arises and if deemed desirable by the Committee, take such steps as necessary and reasonable to resolve any conflict within an appropriate period;
- d) devoting as much time and attention to the Committee for it to carry out its responsibilities; and
- e) making themselves available to meet with any regulator (including APRA) on request.

5. Role of Management

Primary Responsibility

Management is responsible for:

- a) undertaking the risk and compliance activities of the Company; and
- b) maintaining sufficient knowledge, skills and expertise within the risk and compliance management functions; and
- c) nurturing a culture of risk and compliance throughout the Company and embedding audit, risk and compliance obligations in business processes wherever possible.

Communication

The Managing Director and the Chief Risk Officer (and other members of the management team, as appropriate), are responsible for ensuring that all risk and compliance matters that fall within the Committee's scope of responsibilities are appropriately communicated to the Committee.

6. Committee Structure

6.1. Composition

The Committee will be comprised of at least 3 Independent Directors.

The criteria used in defining independence are set out in the Company's Board Charter. All appointments (including that of the Chair) and rotations will be determined by the Board.

6.2. Chair

The Chair of the Committee will be appointed by the Board and must be an Independent Director, but must not be the Chair of the Board.

The Chair should have leadership experience and a strong risk management and/or business background.

The Committee may elect from any Independent Director member of the Committee a temporary Chair for the duration of any meeting of the Committee where the Chair is not present.

6.3. Attendance at meetings by non-members

All Directors of the Board are entitled to receive Committee papers and can attend the Committee as an invitee, subject to there being no conflict of interest. They are entitled to ask questions and express their views.

The CRO will be invited to attend all relevant sections of meetings of the Committee.

Other persons/advisers may be invited to attend the Committee's meetings from time to time, by the Committee via the Chair.

7. Conduct of Committee Business

7.1. Frequency of meetings

The Committee will meet as frequently as required to perform its role but at least four times each year.

7.2. Quorum

The quorum for Committee meetings will be two members.

7.3. Secretary

The Secretary of the Committee will be the Company Secretary of the Board, or his/her nominee.

7.4. Conduct of meetings

Meetings will be formally structured, held in appropriate facilities with timely notice, agendas, supporting papers and minutes of prior meetings distributed sufficiently in advance.

The Committee will meet in private session at least once each year to assess the effectiveness of management, including the CRO.

The process for preparation and approval of minutes and the security and retention of papers is set out in the HCF Director Board/Committee Papers and Minutes Policy.

7.5. Access to Information and Independent Advice

The Committee will at all times have:

- a) free and unfettered access to the external and internal auditors, senior management, the heads of all risk management functions, financial control personnel and the Appointed Actuary, and vice versa; and
- b) unrestricted access to resources and information the Committee considers relevant to its responsibilities.

The Committee will provide sufficient opportunity (on at least two occasions each year) for the external auditor, internal auditor, CRO and the Appointed Actuary to meet privately with members of the Committee and to ensure that the external auditor, internal auditor, CRO and Appointed Actuary have unfettered access to raise matters directly with the Board or the Committee at any time.

The Committee may seek independent professional advice, at the expense of the Company, if it is considered necessary for the proper performance of the Committee's responsibilities. The Chair of the Committee and the Secretary will facilitate the procurement of any such advice.

The Chief Internal Auditor has a direct reporting line and unfettered access to the Committee.

8. Reporting

The Committee will make a copy of its minutes available to the Board and will:

- a) through its Chair, regularly update and make recommendations to the Board on matters falling within the scope of its role and responsibilities; and
- b) ensure the Board is aware of matters before the Committee that may materially impact the financial condition or affairs of the Company.

9. Evaluation of Committee Performance

The Committee must perform an evaluation of its performance at least annually to determine whether it is functioning effectively and meeting the terms of this Charter and will report the outcome of the evaluation to the Board.

10. Review of Charter

The Committee will review this Charter on an annual basis and, as appropriate, make recommendations to the Board on appropriate amendments.