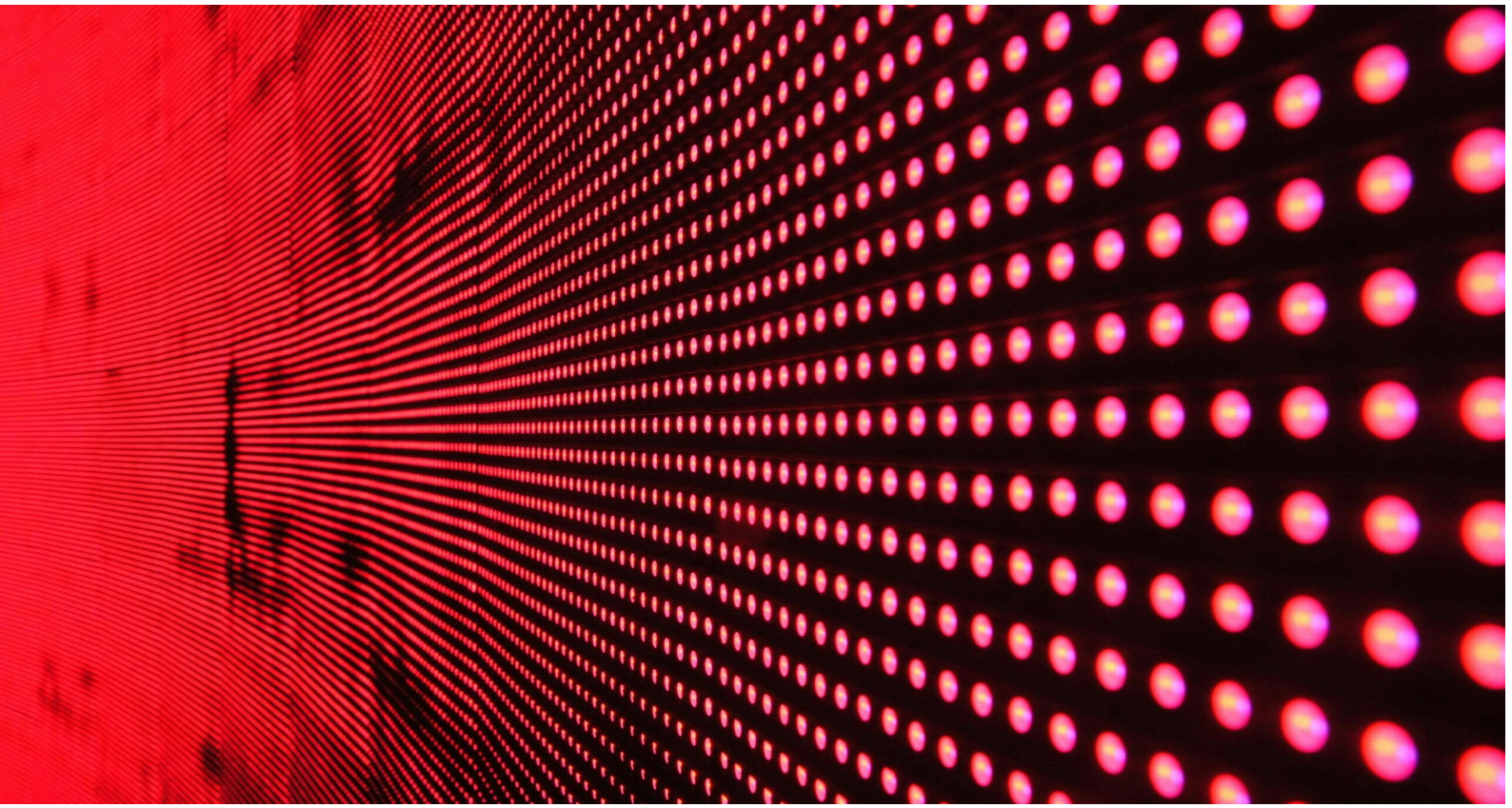


Board Risk Committee Charter

DATE	1 December 2025
DOCUMENT REVIEW FREQUENCY	Every 2 years or as required
DOCUMENT OWNER	Company Secretary
DOCUMENT APPROVER	Board

Cuscal

Contents

1 Introduction 3
2 Purpose 3
3 Role of the Committee 3
4 Committee Composition 3
5 Role of the Chairman 4
6 Meetings 4
7 Agenda and Minutes 5
8 Responsibilities of the Committee 5
8.1 Risk Management Framework and Strategy 5
8.2 Risk Profile and Risk Appetite 5
8.3 Risk Management Activities 6
8.4 Business Plan 6
8.5 Management Information System 7
8.6 Risk Management Function 7
8.7 Compliance 7
8.8 Policies and Procedures 7
8.9 Capital 7
8.10 Financial Controls and Systems 8
8.11 Operational Risk 8
8.12 Information Security 8
8.13 Related Party Transactions 8
8.14 Risk Culture 9
8.15 Sustainability 9
8.16 Artifical Intelligence (AI) 9
8.17 Performance and Remuneration 9
8.18 Insurance Program 9
8.19 Chief Risk Officer 9
8.20 Corporate Governance, Bribery and Whistleblowing 10
8.21 Regulatory interactions 10
9 Reporting 10
10 Access, Reliance and Advice 10
11 Committee Performance 11
12 Review 11

1 Introduction

(a) This Charter outlines the roles, responsibilities and composition of the Board Risk Committee (**Committee**) of the Board of Cuscal Limited (ACN 087 822 455) (**Cuscal**) and the manner in which it discharges its responsibilities.

(b) The Committee is a committee of the Board established in accordance with Cuscal's constitution (**Constitution**).

(c) The Committee assists the Board to oversee Cuscal and its subsidiary entities.

2 Purpose

The purpose of the Committee is to assist the Board of Cuscal by providing objective non-executive oversight of the implementation and operation of Cuscal's risk management and corporate governance frameworks.

3 Role of the Committee

(a) The role of the Committee is to assist the Board in discharging its responsibilities by providing oversight and review of:

(i) Cuscal's current and future risk appetite;

(ii) the design, implementation and operation of Cuscal's risk management framework and risk management strategy;

(iii) Cuscal's performance against the approved risk appetite and overall risk profile within material risk types;

(iv) the effectiveness of Cuscal's compliance framework and systems and processes for compliance with all applicable laws and regulations;

(v) risk culture and behaviours; and

(vi) the development and maintenance of Cuscal's corporate governance framework.

(b) The Committee is responsible for overseeing risk and risk-related activities, other than those that are the responsibility of the Board or delegated to other Board Committees.

(c) The Committee is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.

4 Committee Composition

(a) The Committee will have at least three members. All Committee members must be Non-Executive Directors, the majority of whom are independent[1].

(b) The Board will appoint and remove Committee members.

[1] The Board has adopted a definition of independence for the purpose of assessing the independence of a Non-Executive Director: see Section 9(a) of the Cuscal Board Charter.

(c) The Board will appoint and remove the chairman of the Committee (**Committee Chairman**). The Committee Chairman should be an appropriately qualified independent Non-Executive Director who does not chair the Board.

(d) The Chairman of the Board may be a member of the Committee but cannot chair the Committee.

(e) All Committee members should have a reasonable understanding of Cuscal's business and risks, and the industry in which it participates, including the risks associated with the industry.

(f) Committee members will be appointed for a fixed period of no more than three years, with Committee members generally being eligible for re-appointment for so long as the Committee will meet the relevant criteria established in Section 4(a) above.

(g) A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chairman.

(h) If a Committee member ceases to be a Director of the Board, their appointment as a member of the Committee is automatically terminated with immediate effect.

(i) The Company Secretary of Cuscal (or their nominee) is the secretary to the Committee.

5 Role of the Chairman

(a) The Committee Chairman is responsible for leading the Committee and overseeing the processes for the Committee's performance of its role in accordance with this Charter.

(b) The Committee Chairman has specific responsibilities for:

(i) facilitating the effective contribution of all members of the Committee and promoting constructive and respectful relations among Committee members;

(ii) approving the agendas and ensuring that adequate time is available for discussion of matters within the responsibilities of the Committee;

(iii) liaising with the Chief Risk Officer to ensure the Committee has the information necessary to enable effective decision-making;

(iv) ensuring there is an appropriate flow of information between the Committee and the Board, and between the Committee and other Board committees; and

(v) signing the annual risk management declarations to the Australian Prudential Regulation Authority (**APRA**).

6 Meetings

(a) The Committee will meet at least four times per year or more frequently as is required to undertake its role effectively.

(b) Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee.

(c) The Committee must invite the Chief Risk Officer to attend all relevant sections of meetings of the Committee.

(d) The Committee may invite any Executive Director, Executive, other staff member to attend all or part of a meeting of the Committee.

(e) The Committee will meet concurrently with the Board Remuneration and Nominations Committee to consider material financial, non-financial and people related matters relevant to executive performance and the determination of the remuneration outcomes for the Managing Director, and their direct reports.

(f) Absent any conflict of interest, each member of the Board, if not already a member of the Committee, has a standing invitation to attend the meetings of the Committee as an invitee without voting rights.

(g) The proceedings of all meetings will be minuted by the Company Secretary. All minutes of the Committee are available for inspection by any Director.

(h) A quorum for any meeting will be a majority of Committee members.

7 Agenda and Minutes

(a) Each Committee meeting will have a structured agenda. The agenda is determined by the Committee Chairman, in consultation with the Company Secretary. Any Director, the External Auditor and Internal Auditor, may request that a particular item is added to the agenda.

(b) The agenda and supporting documentation will be distributed to Committee members within a reasonable time before each meeting.

(c) Minutes of each Committee meeting will be prepared by the Company Secretary and approved at the next committee meeting.

8 Responsibilities of the Committee

In performing its role, the Committee's responsibilities include the following matters (and any other matters that may be referred to it by the Board or other Board Committees from time to time):

8.1 Risk Management Framework and Strategy

(a) Overseeing the development, implementation and operation of the risk management framework and strategy (**RMFS**) (including key controls) and reviewing, at least annually compliance with and the effectiveness of the RMFS, to ensure it meets regulatory requirements and enables Cuscal to appropriately develop and implement strategies, policies, procedures and controls to manage risk.

(b) Seeking to ensure that Cuscal has appropriate risk management strategies in place that allow for:

  (i) timely and continuous identification and prioritisation of risks;

  (ii) a mechanism to measure risk; and

  (iii) action plans required to manage and mitigate risks.

(c) Overseeing Senior Management's implementation of the RMFS, including Senior Management's monitoring and management of all material risks consistent with the strategic objectives, risk appetite statement and policies approved by the Board.

(d) Reviewing and recommending to the Board for approval the annual Risk Management Declaration to APRA.

(e) Receiving and reviewing a triennial report (or more frequently if required) on the appropriateness, effectiveness and adequacy of the RMFS to satisfy itself that the RMFS continues to be sound and that Cuscal is operating within the risk appetite set by the Board.

8.2 Risk Profile and Risk Appetite

(a) Advising the Board on Cuscal's overall current and future risk appetite and reviewing and recommending to the Board for approval the Risk Appetite Statement (**RAS**).

(b) Overseeing an institution-wide view of Cuscal's current and future risk position relative to its risk appetite and capital strength.

(c) Reviewing and considering reports from Management on:

(i) material risks as outlined in the RMFS and other risks that, singly or in combination with different risks, may have a material impact on Cuscal;

(ii) any significant breaches of, or material deviation from, the RMFS;

(iii) any material incident involving fraud or other financial crime (including in relation to anti-money laundering or counter-terrorism) or a break-down of risk controls; and

(iv) the resolution of significant risk matters and incidents, and monitoring Management's remediation plans.

(b) Monitoring new and emerging sources of risk and the controls and mitigation measures put in place to address those risks.

(c) Identifying major or potentially major risk areas and advising the Board in relation to whether priority risks to Cuscal are being appropriately identified, consistently assessed and appropriately managed.

(d) Advising the Board of any instances where Cuscal either has or may need to operate outside the current risk RAS by the Board or where disclosure to the market might be required.

8.3 Risk Management Activities

(a) Monitoring and providing risk management activity updates to the Board and any supplementary information required to provide the Board with confidence that material risks are being appropriately managed.

(b) Constructively challenging Senior Management's proposals and decisions on all aspects of risk management arising from Cuscal's activities.

(c) Evaluating and seeking to improve Cuscal's risk management and internal control processes.

(d) Reviewing any material incident involving fraud or a break-down of the RMFS and identifying "lessons learned".

(e) Reviewing any significant findings of any examinations by regulatory agencies.

(f) Satisfying itself that Cuscal has adopted and is meeting the industry better practice governance and risk management standards.

8.4 Business Plan

(a) Reviewing and recommending to the Board for approval the business plan (**BP**) that sets out Cuscal's approach for the implementation of its strategic objectives on a rolling three-year basis.

(b) Reviewing the impact of business and strategic decisions on Cuscal's operational risk profile and operational resilience and escalating any deviations to the Board.

(c) Annually reviewing and making recommendations to the Board in relation to the BP and results.

(d) Ensuring that risk considerations are incorporated into strategic objectives and business planning.

8.5 Management Information System

(a) Reviewing and making recommendations to the Board in relation to the adequacy of Cuscal's management information system (**MIS**), both under normal circumstances and in periods of stress, for measuring, assessing and reporting on all material risks across the institution in a timely and accurate manner.

(b) Considering and making recommendations to the Board on the sufficiency of Cuscal's data framework to enable the aggregation of exposures and risk measures across business lines, prompt reporting of limit breaches, and forward-looking scenario analysis and stress testing.

8.6 Risk Management Function

(a) Monitoring the effectiveness and adequacy of resources of the risk management and compliance functions, including to ensure they continue to be appropriate for the size, business mix and complexity of Cuscal and are operationally independent.

8.7 Compliance

(a) Overseeing the development, implementation, and operation of Cuscal's compliance management framework and reviewing whether it effectively manages Cuscal's compliance risks.

(b) Reviewing reports from Management on the compliance processes that are in place to anticipate and effectively manage the impact of current and proposed regulatory changes on Cuscal's operations.

(c) Overseeing that Cuscal has in place appropriate systems and procedures to ensure compliance with all relevant laws, regulations, licences, and standards.

(d) Reviewing reports from Management concerning compliance with laws, regulations, licences and standards which Cuscal is required to satisfy to operate.

8.8 Policies and Procedures

(a) Overseeing the development of policy setting requirements as well as policies and procedures for risk-taking that are consistent with the RMFS and the established RAS.

(b) Reviewing and recommending to the Board for approval Cuscal's policies that require, or are reserved for, the Board such as those policies required under APRA Prudential Standards.

(c) Approving policies and standards that require or are reserved for Committee approval under Cuscal's policy framework.

8.9 Capital

(a) Reviewing, endorsing and/or approving credit proposals falling outside of Management's delegated lending authority including large exposures, in accordance with the relevant operational risk management, capital management and strategic risk management policies.

(b) Reviewing the adequacy of Cuscal's capital (economic, regulatory and rating agency) and its allocation of capital to Cuscal's businesses.

(c) Overseeing Cuscal's public disclosures relating to capital.

(d) Overseeing capital servicing proposals, capital structure, appropriate levels of capital, allocation of capital to Cuscal's businesses, and dividend payment impacts on Cuscal capital and provide recommendations to the Board.

8.10 Financial Controls and Systems

(a) Overseeing the effectiveness of Cuscal's financial controls and systems (with the assistance of the Board Audit Committee).

(b) Overseeing tax compliance and tax risk management (with the assistance of the Board Audit Committee).

8.11 Operational Risk Management

(a) Overseeing and advising the Board on Cuscal's operational risk management, including business continuity and management of service provider arrangements.

(b) Reviewing and recommending to the Board for approval Cuscal's business continuity plan, tolerance levels for disruptions of critical operations, Cuscal's recovery and exit plan, and where applicable, a resolvability assessment and pre-positioning plan.

(c) Reviewing the:

(i) test results of Cuscal's business continuity plan and tolerance levels for disruptions to critical operations; and

(ii) risk and performance reports on Cuscal's material service providers,

to assist the Board to form a view on the operational risk effectiveness of Cuscal's operational risk management.

(d) Advising the Board on the execution of any findings relating to the testing of Cuscal's continuity plan and tolerance levels for disruptions to critical operations, and the review of Cuscal's recovery and exit plan.

(e) Reviewing results from risk assessments that are conducted prior to a service provider being engaged for a material service.

8.12 Information Security

(a) Overseeing and advising the Board on Cuscal's information security control framework and understanding of emerging threats.

(b) Reviewing and approving policies and standards that require or are reserved for Committee approval under Cuscal's information security framework.

(c) Reviewing the adequacy and effectiveness of the mechanisms in place to detect and respond to information security incidents in a timely manner.

(d) Overseeing that Cuscal has systems in place to test the effectiveness of its information security controls.

(e) Ensuring that the information security function is appropriately resourced for the size and extent of threats to Cuscal's information assets.

8.13 Related Party Transactions

(a) Making recommendations to the Board in relation to Cuscal's dealings and associations with its related entities (if any) and the approval of policies governing Cuscal's dealings and associations with its related entities.

(b) Reviewing Cuscal's polices relating to its dealings and associations with related entities at least annually and advising the Board on whether they remain adequate and appropriate for Cuscal's risk appetite, risk profile, capital, balance sheet size and complexity.

(c) Overseeing Cuscal's entry into, approval or disclosure of related party transactions (if any).

8.14 Risk Culture

(a) Guiding Management to establish and maintain an appropriate risk culture framework and monitoring risk culture progress against target states and action and related matters that affect Cuscal's ability to operate consistently within its RAS.

(b) Receiving and reviewing reports on periodic risk culture assessment and insights from data points including survey results and desktop reviews. Assisting the Board to form a view of the risk culture of Cuscal, the extent to which that culture supports the ability of Cuscal to operate consistently within its RAS.

(c) Recommending to the Board actions that the Committee considers necessary to instil, or reinforce, the desired risk culture and overseeing the taking of steps by Cuscal to implement those actions.

(d) Reviewing and overseeing and making recommendations to the Board on Cuscal's code of conduct.

8.15 Sustainability

(a) Overseeing the development of Cuscal's sustainability-related policies and recommending to the Board Cuscal's approach to sustainability, including policy direction and targets.

(b) Reviewing and monitoring sustainability risk and the environmental, social and governance impact of Cuscal's activities, including climate related risks and opportunities, and providing insights and guidance to the Board with respect to Cuscal's identification and management of such risks and impacts.

(c) Consulting with the Board Audit Committee on disclosures in the Annual Report and other public documents related to Cuscal's reporting on sustainability matters in accordance with regulatory requirements.

8.16 Artificial Intelligence (AI)

(a) Overseeing the development of Cuscal's AI Framework and AI-related policies and recommending to the Board, Cuscal's strategy and policies relating to AI.

(b) Reviewing and monitoring the operational, regulatory, and reputational risks and impacts of AI on Cuscal and provide insights and guidance with respect to Cuscal's identification and management of such risks and impacts.

8.17 Performance and Remuneration

(a) Assessing, and reporting to the Board Remuneration and Nominations Committee, any risk matter that warrants the Board Remuneration and Nominations Committee's, or the Board's consideration in recommending variable remuneration awarded or other outcomes for the Managing Director/Chief Executive Officer or the Managing Director/Chief Executive Officer's direct reports and other personnel within the remit of the Board Remuneration and Nominations Committee.

8.18 Insurance Program

(a) Periodically evaluating the structure and adequacy of Cuscal's corporate insurance program and approving it on an annual basis.

8.19 Chief Risk Officer

(a) Reviewing the performance and setting the objectives of the Chief Risk Officer.

(b) Overseeing and endorsing the appointment and removal of the Chief Risk Officer.

(c) In consultation with the Board Chairman, engaging with APRA as soon as practicable, but within 10 business days, following Board approval to remove the Chief Risk Officer.

8.20 Corporate Governance, Bribery and Whistleblowing

(a) Overseeing and advising the Board on the development and maintenance of an effective and robust corporate governance framework.

(b) Overseeing the maintenance of policies and procedures in relation to Anti-Bribery and Corruption and ensuring that the Committee is informed of any material breaches of those policies and procedures.

(c) Overseeing the maintenance of policies and procedures for employees of Cuscal to submit confidentially, information about accounting, internal control, compliance, audit and other matters which Cuscal employees may have concerns with.

(d) Overseeing the process of employee awareness of policies and procedures for dealing with matters raised by Cuscal employees.

8.21 Regulatory interactions

(a) Overseeing Cuscal's engagement with APRA and other regulators on risk matters and being available to meet with APRA or any other regulator on request.

(b) Reporting and notifying APRA as soon as practicable (and no more than 10 business days) after any material revision to the risk appetite statement, business plan or risk management strategy of Cuscal, significant breach or material deviation from the risk management framework, or when there is a material or prospective material change to the size, business mix and complexity of Cuscal.

(c) Overseeing APRA notifications and reporting relating to information security incidents, material information security control weaknesses, operational risk incidents, disruptions to critical operations outside tolerance levels and entry into or materially changing a material service provider agreement or material offshoring arrangement.

9 Reporting

(a) The Committee will:

(i) regularly report to the Board on all matters relevant to the Committee's role and responsibilities;

(ii) advise the Board in a timely manner of internal control, risk management and compliance matters which may significantly impact upon Cuscal;

(iii) report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee; and

(iv) as and when appropriate, seek direction and guidance from the Board on risk management and compliance matters.

(b) The Committee will refer to the Board or other Board Committees (as appropriate), any matters that have come to the Committee's attention that are relevant for the Board or Board Committees.

(c) Minutes of Committee meetings will be included in the papers for the next full Board meeting for noting.

10 Access, reliance and advice

(a) The Committee may seek any information or advice or investigate any matter it considers necessary to fulfil its responsibilities.

(b) The Committee must, at all times, have free and unfettered access to:

(i) Cuscal's Management (including the Managing Director/Chief Executive Officer, Senior Management, risk and financial control personnel; and

(ii) other parties (internal and external), and information and make any enquiries,

to seek explanations and additional information to fulfill its responsibilities.

(c) The Chief Risk Officer and Company Secretary shall have free and unfettered access to the Committee.

(d) The Committee may seek professional advice from appropriate external advisers, at Cuscal's cost. The Committee may meet with these external advisers without Cuscal's Management being present.

(e) Committee members are entitled to rely on information, advice and assurances provided by Management on matters within their responsibility, and on the expertise of independent experts, so long as the reliance is made in good faith and they are not aware of any grounds that would make such reliance inappropriate.

11 Committee performance

(a) The Board will, at least once in each year, review the membership of the Committee to determine its adequacy for current circumstances and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.

(b) The Committee shall make an evaluation of its performance at least once every two years to determine whether it is functioning effectively by reference to current best practice.

12 Review

(a) The Committee will review this Charter every two years or as often as it considers necessary and recommend amendments to the Board for approval when appropriate.

(b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.