

# Macquarie Group Limited

## Board Risk Committee Charter

### 1. ROLE

- 1.1 The Board Risk Committee (the “Committee”) is a Committee of the Board of Voting Directors (“Directors”) of Macquarie Group Limited (“Macquarie”) (the “Board”). The Committee assists the Board by providing oversight of Macquarie and its subsidiaries’ (the “Group’s”) risk management framework and advising the Board on the Group’s risk appetite, risk culture and risk management strategy.
- 1.2 The Group’s risk management framework is the totality of systems, structures, policies, processes and people within the Group that identify, measure, monitor, report and control or mitigate all internal and external sources of material risk. Material risks are those that could have a material impact, financial or non-financial, on Macquarie (“risk management framework”).
- 1.3 The Group’s Risk Management Strategy (“RMS”) applies to Macquarie as a non-operating holding company and its subsidiaries.

### 2. ALLOCATION OF RESPONSIBILITIES BETWEEN BOARD COMMITTEES

- 2.1 Other Board committees have responsibilities with respect to certain risk matters, as described in their Charters. The allocation of responsibilities between Board Committees is described in the Macquarie Board Charter.

### 3. RESPONSIBILITIES

To accomplish its role, the Committee:

#### **Risk Management Framework**

- 3.1 Reviews and recommends the RMS and Macquarie’s risk appetite statement, including material changes to them, to the Board for approval.
- 3.2 Oversees management’s implementation of the RMS, and constructively challenges management’s proposals and decisions on risk management arising from the Group’s activities.
- 3.3 Oversees management’s operation of the risk management framework.
- 3.4 Approves risk matters other than those for which another Board committee is responsible, including material changes to policies, limits and delegations of authority, which do not require Board approval.

#### **Risk Culture and Conduct**

- 3.5 Monitors the risk culture of the Group and, with assistance from the Board Governance and Compliance Committee, conduct risk and certain other non-financial risks.
- 3.6 Forms a view on the risk culture of the Group and the extent to which it supports the ability of the Group to operate consistently within its risk appetite.

### **Risk Oversight**

- 3.7 Monitors the Group's risk position and profile.
- 3.8 Reviews the impact of relevant developments on the Group's risk position and profile.
- 3.9 Assisted by the:
  - (a) Board Audit Committee, monitors the effectiveness of key internal controls for the Group; and
  - (b) Board Governance and Compliance Committee, monitors the Group's non-financial risk position and profile.
- 3.10 Reviews limit and policy breaches and assesses any implications for the risk management framework.
- 3.11 Assesses the risk management framework against the requirements of the Australian Prudential Regulation Authority and other prudential regulators in other jurisdictions.

### **Chief Risk Officer**

- 3.12 Reviews the performance and objectives of the Chief Risk Officer.
- 3.13 Approves the appointment and removal of the Chief Risk Officer.
- 3.14 Meets privately with the Chief Risk Officer at least annually to discuss any matters that the Committee or the Chief Risk Officer believe should be discussed privately with the Committee.

### **Review**

- 3.15 Reviews the Committee Charter annually and recommends any proposed changes to the Board for approval.
- 3.16 Conducts a periodic, but at least biennial, evaluation of the Committee's performance and the extent to which the Committee has met its responsibilities set out in this Charter.
- 3.17 Reviews the annual schedule of Board Workshops.

## **4. MEMBERSHIP**

- 4.1 The Committee will consist of at least three Non-Executive Directors of the Board ("Committee Members"). A majority of Committee Members must be Independent Directors as defined by Macquarie's *Policy on Director Independence*.

### **4.2 Chair**

One Committee Member will be appointed Chair of the Committee by the Board. The Chair of the Board is not eligible to be the Chair of the Committee. If the Chair of the Committee is not present at a meeting of the Committee, the Committee Members present may elect another Committee Member (other than the Chair of the Board) to act as Chair for that meeting.

The role of the Chair of the Committee is to:

- a) oversee the proper functioning of the Committee, including the proper conduct of meetings;
- b) advise the Board of the Committee's recommendations on matters falling within the scope of the Committee's responsibilities; and

- c) refer matters relating to the duties and responsibilities of other Board committees to the appropriate committee.

## **5. MEETINGS**

### **5.1 Frequency of meetings**

The Committee will hold at least four regular meetings each year and any additional meetings that the Chair of the Committee considers are appropriate in order to fulfil its responsibilities.

The Chair of the Committee is required to convene a meeting of the Committee if requested to do so by:

- a) any Committee Member;
- b) the Managing Director and Chief Executive Officer of Macquarie; or
- c) the Chief Risk Officer.

### **5.2 Attendance by non-Committee members**

All Directors may attend Committee meetings.

The Chief Risk Officer will be invited to attend all Committee meetings but will have no voting rights.

The Macquarie Managing Director and Chief Executive Officer, the MBL Managing Director and Chief Executive Officer and Head of Internal Audit will be invited to attend Committee meetings but will have no voting rights. The external auditor will also be invited to attend Committee meetings.

Members of management and/or parties external to the Group may be invited to attend any meeting of the Committee.

Non-Committee members may be asked to withdraw from all or any part of a meeting.

### **5.3 Meetings other than in person**

Where deemed appropriate by the Chair of the Committee, meetings may occur via conference call or other electronic means, and approvals and recommendations may occur via written resolution.

### **5.4 Secretary**

The Macquarie Company Secretary (or their delegate as approved by the Committee) will act as Secretary of the Committee and is responsible, in conjunction with the Chair of the Committee, for preparing the agenda (supported by explanatory documentation and papers) and circulating the Committee papers to Committee Members prior to each meeting. Directors may request papers for or from any Committee meeting and will be notified in advance of the agenda of forthcoming meetings.

The Secretary is responsible for keeping the minutes of meetings of the Committee and circulating them to the Chair of the Committee for review, and to other Committee members, the other members of the Board and other Committee meeting attendees as appropriate.

**5.5 Conflicts**

The Board approved guidelines for Board members declaring and dealing with actual and/or potential conflicts of interest will apply to meetings of the Committee.

**5.6 Quorum**

A quorum will consist of not less than half of the Committee Members eligible to vote on a matter.

**6. ACCESS**

6.1 The Committee shall have free and unfettered access to all personnel and other parties (internal and external), including the Chief Risk Officer and external auditor, as required by the Committee to carry out its duties. The Chief Risk Officer will have unfettered access to the Board and Committee Members.

6.2 Committee Members may seek independent professional advice where they consider it necessary to carry out their duties and responsibilities. Any costs incurred as a result will be borne by Macquarie subject to the estimated costs being approved by the Chair of the Board, in advance, as being reasonable.

**7. REPORTING AND CO-ORDINATION**

7.1 The Committee, through its Chair, will advise, report and make recommendations to the Boards and other Board committees on matters falling within the scope of their responsibilities. This advice may be in the form of minutes of its meetings, supporting papers, and written or verbal reports at Board and Board committee meetings.

7.2 The Committee shall consider any recommendations by, or matters referred from, other Board committees.

**Date: 1 June 2023**