



Compliance Committee Charter

FMML has adopted the Compliance Committee Charter (“Charter”) to help manage risk.

The Charter states the roles and responsibilities for the Compliance Committee.

1. Introduction

The Compliance Committee (“Committee”) has been established to assist the Board in the conduct of its responsibilities relating to risk management, legal and regulatory compliance and corporate governance. It will report back to the full Board on all material matters and issues requiring decisions. The Committee does not remove from the full Board of Directors any of its responsibilities and legal obligations. Against this background the roles of the Committee as set out in this Charter will apply.

2. Authority

- 2.1 The Committee is authorised by the Board to investigate any activity brought to its attention relating to compliance or its responsibilities as set out in this Charter. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.
- 2.2 All employees will have access to the Chairperson of the Committee at any time.
- 2.3 The Committee shall have the authority of the Board to obtain outside legal or other independent professional advice at the expense of FMML and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 2.4 The Committee will obtain the full Board of Directors’ approval of this Charter and review and reassess this Charter as conditions dictate (at least biennially).

3. Overall Objectives and Purpose

3.1 The overall objectives and purpose of the Committee are to assist the Board in fulfilling its responsibilities relating to the risk management, compliance and corporate governance practices of the Company. In carrying out its duties, the Committee will:

- oversee the implementation of risk and compliance programmes, policies and procedures that are designed to respond to the various compliance and regulatory risks facing FMML
- monitor compliance with statutory and regulatory matters relating to FMML Financial Services Licence, financial and corporate reporting obligations
- monitor compliance with FMML Risk Management Framework
- address regulatory and legislative change that may affect FMML
- maintain open lines of communication among the Board, Management and relevant supervisors where appropriate, to exchange views and information, as well as confirm their respective authority and responsibilities;
- provide strategic guidance and feedback to the Board and Management on FMML risk management framework;
- assist the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the oversight of the effective management of the Group's material business risks.
- perform any other duties as directed by the board.

4. Committee Membership and Meetings

4.1 The Committee shall be appointed by the Board of Directors.

4.2 The Committee shall consist of not less than two director members. The chief executive officer shall not be a member of the committee. The Board may terminate an appointment to the Committee at any time.

4.3 The board shall appoint the committee chair who, where possible, will be an independent director.

4.4 Committee members will respect and recognise each other's contributions and embrace any differences.

4.5 A quorum shall be two members one of whom shall be the Chairperson.

4.6 The Committee may have in attendance such members of Management and such other persons as it may deem necessary to provide appropriate information or explanations.

4.7 The Chief Financial Officer, Head of Credit Risk and Head of Compliance & Quality Assurance will attend meetings unless otherwise requested by the Chairperson.

4.8 The Committee will hold a minimum of 4 regular meetings per year, having regard to the company's reporting cycle. In addition, the Chairperson is required to call a meeting of the Committee if requested to do so by any committee members, the organisation's Chief Executive, Chief Financial Officer, or any board member.

4.9 All directors shall be entitled to attend meetings of the Committee if they wish to do so but only Committee members shall be entitled to vote on any matter before the Committee. In the case of an equality of votes at a meeting of the Committee, the Chairperson shall have a second or casting vote.

4.10 Reasonable notice of meetings and the business to be discussed shall be given to members of the Committee.

4.11 The Head of Compliance & Quality Assurance will develop the agenda for each committee meeting, this will be circulated to Committee members at least one week before the meeting requesting any additional agenda items.

4.12 The Head of Compliance & Quality Assurance will ensure that minutes of each committee meeting are recorded. The minutes should capture key discussions, decisions, and assigned actions. Draft minutes should be distributed to committee members within five business days for review and approval. The

Committee Chair is responsible for ensuring that the committee's decisions and actions are implemented. A log of action items, including responsible individuals and deadlines, will be maintained by the Head of Compliance & Quality Assurance. The status of action items will be reviewed at the beginning of each meeting under 'Matters Arising'.

- 4.13 The Head of Compliance & Quality Assurance is tasked with circulating the agenda, relevant documents, and meeting minutes to all committee members via Diligent. These materials should be provided at least five business days before the meeting to allow adequate preparation time.

5. Roles and Responsibilities

The roles and responsibilities of the Committee are as follows:

5.1 Governance

- a) The Committee is responsible for providing advice to the Board on the most appropriate corporate governance policies and to review developments in corporate governance and recommend standards which it considers are appropriate and in the best interests of FMML.
- b) Monitor the independence of directors and review the criteria for assessing independence.
- c) Consider questions of possible conflicts of interest arising for Directors and, review existing behaviour and ethical guidelines for directors.

5.2 Compliance

The Committee is responsible for providing advice to the Board on the compliance framework of FMML generally and, in particular, to:

- a) Approve changes to compliance policies (inclusive of AML), where delegated authority from the board is in place.
- b) Consider and review with management the adequacy of the compliance controls through reviewing the results of Internal Compliance Assurance reports.
- c) Monitor and review the effectiveness of the Compliance function and framework in ensuring adherence to applicable laws and regulations.
- d) Provide oversight in regard to the following for Compliance:
 - (i) structure, resourcing and the use of external consultants.
 - (ii) the actioning of regulatory developments that may have a material impact on FMML.
- e) Review and recommend for approval by the Board the Charter at least biennially.
- f) Incident Reporting. Review and recommend for approval by the Board appropriate course of action for material incidents.
- g) In addition, the committee shall examine any other matters referred to it by the board.

5.3 Risk Management

- a) Review and monitor the effectiveness of FMML Risk Management framework and the maintenance of an appropriate risk culture within FMML.
- b) Review risk capacity and exposure limits (risk tolerance) and the alignment of First Mortgage Managers risk profile within limits set by the Board.
- c) Review First Mortgage Managers material business risks and FMML management of these risks.
- d) Oversee key risk related processes and functions such as the AML Assurance programme and business continuity management.

5.3.1 In carrying out these responsibilities, the Committee will:

- a) review with Management on a quarterly basis, the significant risks within the FMML Risk Registers and review how they have been assessed, and managed;
- b) assess the effectiveness of the related system of internal control in managing the significant risks, having regard, in particular, to any significant failings or weaknesses in internal control that have been reported;
- c) consider whether necessary actions are being taken promptly to remedy any significant failings or weaknesses;
- d) consider whether the findings indicate a need for more extensive monitoring of the system of internal control;
- e) review accounting and financial human resources and succession planning within the Company
- f) review the adequacy of insurance at each insurance renewal and recommend to the Board any significant changes to insurance cover; and
- g) Consider the adequacy of business continuity planning.

5.4 Reporting Responsibilities

- a) Regularly update the Board about Committee activities and make appropriate recommendations.
- b) Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

5.5 Other

- a) Perform other oversight functions as requested by the full Board.
- b) Evaluate the Committee's own performance on an annual basis.

Document History

Revision history

Author	Date	Revision
Claudine Le Breton	31.05.2018	Drafted
Julie McCullough	30.05.2019	Reviewed
Julie McCullough	20.02.2020	Updated based on Peter Treacy feedback (Committee Chair)
Julie McCullough	08.09.2020	Updated 4. Membership section to include Board Chairman
Julie McCullough	09.06.2021	Minor wording updates
Julie McCullough	17.06.2022	New branding and minor wording changes
Julie McCullough	07.06.2024	Biennial review including recommendations from recent Governance Self-Assessment

This document has been reviewed and approved by

	Name	Signature	Date reviewed
1	Compliance Committee	Peter Treacy email	21.02.2020
2	Board of Directors	Refer minutes	15.09.2020
3	Compliance Committee	Refer minutes	27.07.2021
4	Board of Directors	Refer minutes	10.08.2021
5	Compliance Committee	Refer minutes	26.07.2022
6	Board of Directors	Via Diligent	28.07.2022
7	Compliance Committee	Refer minutes	30.07.2024
8	Board of Directors	Via Diligent	30.07.2024