

Challenger Limited

Tax Risk Management Committee Charter

Challenger Limited (Company)

ACN 106 842 371

1. Introduction

- 1.1 The Tax Risk Management Committee (**Committee or TRMC**) is a committee of the Board of directors of Challenger Limited (**Company**).
- 1.2 This charter sets out the scope of the Committee's responsibilities in relation to the Company and its controlled entities (**Group**).
- 1.3 The Committee is responsible for assisting the Company and its subsidiaries, including Challenger Life Company Limited (the **Challenger Group**), the Challenger Group's specialised funds, overseas operations and investments or where the Challenger Group's brand can be reputationally connected with such activities or investments.
- 1.4 it is recognised that the instruction to legal counsel and legal counsel's advice by the Committee or any member of the Committee is a privileged communication to the Board on tax risk under common law principles of adviser and client privilege and under the ATO Practice Statement PS LA 2004/14 ATO access to advice for a corporate board on tax compliance risk'.
- 1.5 In this Charter, Tax Risk means all matters that may give rise to a tax compliance risk, dispute with a Tax Authority and/or claim on a contractual indemnity in respect of Tax whether that matter is within Australia or global.

2. Role of the Board and Committee

- 2.1 It is the responsibility of the Board of Directors of the Company (**Board**), in conjunction with senior management of the Company, to understand the Tax Risks associated with the global activities of Challenger (**Global Tax Risks**) and put in place structures to monitor and manage those global Tax Risks adequately.
- 2.2 The Board appoints the Committee to monitor and report on the Global Tax Risks, and to review and, if thought fit, make recommendations on tax related risks of any member of the Challenger Group including each of the entities and committees outlined below:

Company	Relevant Committee
Challenger Limited	Group Risk Committee Group Audit Committee Executive Risk Management Committee Financial Risk Committee
Challenger Life Company Limited	Life Audit Committee Life Risk Committee PDS Committee
Challenger Retirement and Investment Services Limited	Audit Committee
Fidante Partners Limited	Compliance Committee Disclosure Document Committee
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- 2.3 The Board will undertake the following as required:
 - (a) receive and consider opinions on Global Tax Risk from the Committee;
 - (b) review and, if appropriate, approve Tax Risk policies (**Tax Risk Policies**) established by the Committee; and
 - (c) review and, if appropriate, ratify the Committee's risk appetite and change recommendations from a global perspective.
- 2.4 A decision of the Board takes precedence over a decision of the Committee.

3. Responsibilities of the Committee

3.1 Risk Monitoring

The Committee is responsible for the identification, monitoring and issuance of an opinion on Tax Risks from time to time.

The Committee is responsible for the following monitoring activities in relation to Tax Risks:

- (a) reviewing transactions and arrangements in order to provide advice or an opinion to the Board in respect of the Tax Risks that are associated with the transaction or arrangement;
- (b) recommending to the Board the level of Tax Risk provision to be prudently applied/reserved against investments, and reviewing those provisions from time to time;
- (c) recommending changes in Tax Risk appetite limits to the Board for approval, and reviewing those Tax Risk limits from time to time;
- (d) monitoring global tax portfolios against relevant Tax Risk limits and tolerances; and
- (e) reporting breaches of Tax Risk limits as specified in Tax Risk Policies to the Board.

3.2 Investment Decisions

The Committee is responsible for the following in respect of Investment Decisions:

- (a) review the robustness and rigor of commercial and economic imperatives of transactions where on the advice of General Manager - Tax the transaction goes beyond the Tax Risk appetite level set by the Board;
- (b) instruct legal counsel to advise the Board of the relative likelihood of a Tax Risk arising on a transaction of business process;
- (c) consider and, if thought fit on such transactions, propose a specific tax risk provision be raised against the transaction returns;
- (d) in respect of transaction specific tax risk provision, agree how the tax risk provision will be released, where applicable; and
- (e) review the adequacy of tax risk provisions from time to time.

4. Duties of the Committee members

4.1 Committee members are expected to:

- (a) act honestly and without conflict;
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position;
- (c) not make use of information acquired through being a member of the Committee, or through their position, in order to gain an improper advantage for the member or another person; and
- (d) ensure that conflicts or potential conflicts of interest are dealt with appropriately and in accordance with the Group's Conflict of Interest Policy.

4.2 Each of the Committee members has the right to report a matter of material consequence pertaining to the management of the Tax Risks or the approval of a transaction, to the Chairperson. The Chairperson will then be obliged to instruct counsel to advise on the matter directly to any of the directors of the Board.

5. Committee composition

- 5.1 The members of the Committee will comprise each person in the Challenger group holding the position specified in Appendix 1 (including any person acting in the relevant position or holding a delegation of that member's responsibilities).
- 5.2 The Chief Financial Officer of the Company (or their delegate) will act as Chairperson of the Committee.
- 5.3 The members of the Committee, other than the Company's Non-Executive Director member (**NED Member**) can be changed from time to time by the Chief Executive Officer of Challenger (**CEO**).
- 5.4 The NED Member (or alternate) is as determined by the Board of the Company.
- 5.5 The Company Secretary of the Company, or their delegate, will be the secretary of the Committee (**Committee Secretary**).

6. Committee meetings

- 6.1 The Committee will meet a minimum of once a financial year.
- 6.2 A quorum for a Committee meeting is three Committee members.
- 6.3 Committee meetings may be held by any technological means allowing its members to participate in discussions even if all of them are not physically present in the same place. A member who is not physically present but participating by technological means is taken to be present. A meeting is taken to be held where the majority of directors are present, and if no majority are in any one location, then the meeting will be deemed to have occurred at the Company's Registered Office.
- 6.4 The Committee may pass or approve a resolution without holding a meeting in accordance with the procedures in section 248A of the *Corporations Act 2001* (Cth) or the Company's Constitution, as appropriate.
- 6.5 The Committee may invite other persons it regards appropriate to attend Committee meetings. Any such invitees are permitted to speak at meetings of the Committee, but will not be entitled to vote on matters put to the Committee.
- 6.6 The Committee Secretary will circulate the agenda and papers a reasonable period in advance of each meeting.

7. Minutes of Committee meetings

- 7.1 The Committee must keep minutes of its meetings, which minutes will be held by the Committee Secretary.
- 7.2 Draft minutes of each Committee meeting must be included in the papers for the next Committee meeting.
- 7.3 Previous minutes, agendas and supporting papers are available to Committee members and any member of the Board upon request to the Committee Secretary, except if there is a conflict of interest.

8. Access to Information and Independent Advice

- 8.1 Members of the Committee may seek any information it considers necessary to fulfil its responsibilities.
- 8.2 The Committee may seek professional advice from employees of the Challenger Group and from appropriate external advisers, at the Company's cost.

9. Review and changes to this charter

- 9.1 The Committee will review this charter bi-annually or as often as it considers necessary.
- 9.2 The Board may change this charter from time to time by resolution.

10. Approved and adopted

This Charter was originally approved by the Board on 13 August 2008 for adoption by the Committee and most recently updated on 11 August 2023.

Appendix A: Membership of the Tax Risk Management Committee

Committee members	
1	CFO (Chairperson)
2	Non-Executive Director or duly appointed alternate of Challenger Limited Board
3	Chief Executive Officer
4	General Manager – Tax
5	General Counsel