

## **Terms of Reference for the Risk Committee**

### **1. Purpose**

- 1.1 The purpose of the Risk Committee (the “**Committee**”) shall be to identify, assess, monitor and manage risk. The Committee is to oversee, report and make recommendations to the Board in respect of financial and non-financial risks faced by the Group.

### **2. Membership**

- 2.1. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and shall be made up of at least two members both of whom shall be independent Non-Executive Directors. The Committee shall include at least one member of the Audit Committee. The Committee may also comprise members who are not Non-Executive Directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend all or part of any meeting as and when deemed appropriate and necessary by either the Board or the Committee.
- 2.3. Appointments to the Committee shall be made by the Board for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
- 2.4. The Board shall appoint a Committee Chair, selected only from members of the Committee. The Chairman of the Board shall not be Chair of the Committee.

### **3. Secretary**

- 3.1. The Company Secretary or a designated alternative shall act as the Secretary of the Committee.

### **4. Quorum**

- 4.1. The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities/powers vested in or exercisable by the Committee.

### **5. Frequency of Meetings**

- 5.1. The Committee shall meet at least twice a year and at such other times as the Chair of the Committee shall require.

### **6. Notice of Meetings**

- 6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors no later than five working days before the date of the meeting.
- 6.3. The agenda for the meeting and the supporting papers shall be sent to the Committee members and to other attendees as appropriate, no later than five working days before the date of the meeting.

### **7. Minutes of Meetings**

- 7.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2. Minutes of Committee meetings, together with the full Risk Committee packs, will be made available to all plc Board Directors via the online Board paper platform unless a conflict of interest exists.

### **8. Engagement with shareholders**

- 8.1. The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee’s activities.

## **9. Duties**

The Board delegates to the Committee the following powers and duties to be performed by the Committee for and on behalf of the Board, as follows:

- 9.1. oversee and advise the Board on the current risk exposures of the Company and future risk strategy;
- 9.2. prepare and maintain the Group's Risk Register detailing the principal risks to which the Committee believes the Company is exposed, the likelihood and impact of the principal risks materialising and the management and mitigation of the principal risks to reduce the likelihood of their incidence or their impact; and
- 9.3. review Management's capability to identify and manage new risks and assess the steps taken to mitigate them.

## **10. Reporting Responsibilities**

- 10.1. After each meeting the Committee Chair shall report to the plc Board on the Committee's proceedings on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall produce a report of its activities and of the Company's risk management strategy which is to be included in the Company's annual report.

## **11. Other Matters**

The Committee shall:

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 11.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 11.3. give due consideration to all applicable laws and regulations relevant to the Committee;
- 11.4. oversee any investigation of activities which are within its terms of reference;
- 11.5. work and liaise as necessary with all other Board committees; and
- 11.6. arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **12. Authority**

The Committee is authorised:

- 12.1. to request the attendance of any employee at a meeting of the Committee and/or seek any information it requires from any employee or Director of the Company in order to perform its duties;
- 12.2. to obtain, at the Company's expense, independent legal or other professional advice on any matter within its terms of reference where required; and
- 12.3. to delegate any matter or matters to another committee or person(s) as it deems appropriate.