

## 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 and shall be made up of the Finance Director, the Chairman of the Audit Committee or their appointee, and at least two Regional Business Directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals including the Chairman of the Board, the Chief Executive Officer, other PLC Directors or Regional Business Directors, and the internal and external auditor 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. There shall be no time limit applied to the length of appointment to the Committee.
- 2.4. The Board shall appoint a Committee Chairman, selected only from members 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.

### **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 Chairman.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee a week prior 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. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3. Minutes of Committee meetings shall be circulated promptly to all Committee members and once approved will be circulated to the Plc Board Directors, unless it would be inappropriate to do so in the opinion of the Chairman of the Committee.

### **8. 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:

- 8.1. Develop and maintain the Company's overall risk appetite, tolerance and strategy.
- 8.2. Advise the Board of the risks the Company is exposed to;
- 8.3. Review Management's capability to identify and manage new risks and assess the steps taken to mitigate them;
- 8.4. Obtain and maintain reasonable assurance that the Group's financial risks are being effectively managed and controlled by reviewing:
  - Management's tolerance for financial risks;
  - Management's assessment of significant financial risks facing the Group;
  - The Group's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks.

## **9. Reporting Responsibilities**

- 9.1. The Committee Chairman shall report to the Plc Board at its next scheduled meeting, on its proceedings on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall produce a report of its activities and of the Company's risk management and strategy, which is to be included in the Company's annual report.

## **10. Other Matters**

The Committee shall:

- 10.1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- 10.2. 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;
- 10.3. Give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate;
- 10.4. Oversee any investigation of activities which are within its terms of reference; and
- 10.5. 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.

## **11. Authority**

The Committee is authorised:

- 11.1. to seek any information it requires from any employee or Director of the Company in order to perform its duties;
- 11.2. To obtain, at the Company's expense, external legal or other professional advice on any matter within its terms of reference where required; and
- 11.3. To request the attendance of any employee at a meeting of the Committee as and when required.