



Terms of Reference

Board Committees

Committee:

Risk

a. Membership

Four Non-executive directors including the Chair of the Audit Committee, Managing Director and Finance Director

b. Attendance at meetings

The Internal Audit and Compliance Manager shall normally attend all meetings at the invitation of the Committee. The external audit partner, other Board and staff members shall attend if invited by the Committee.

c. Quorum

Two Non-Executive Members and one Executive Member

d. Frequency of Meetings

Four times a year and on such occasions as the Board may determine

e. Terms of Reference

The purpose of the Committee is to assist the Board in establishing, monitoring and amending the effectiveness and appropriateness of the Group's risk management strategy and policies.

At least once each year the Committee will review the Risk Appetite and report to the Board any recommendations including assessing the appropriateness of the Corporate Plan in the context of Risk Appetite.

The Committee will review the Risk Register at least once each quarter to ensure that all material risks are included and assessed in accordance with the Risk Appetite and to ensure that for each risk a set of risk management processes and measures are in place to mitigate or minimise the impact of the risk as identified. Where appropriate the Committee shall challenge the Company's assessment and measurement of key risks including stress and scenario testing.

The Committee will report to the Board any actions arising from the review of the Risk Register and to be incorporated in the Company's financial and operational plans as appropriate.

The Committee will review the Internal Capital Adequacy Assessment including the design, build, operation and oversight of the Group's internal models.

The Committee will review significant reports from regulatory agencies relating to risk issues, together with reports from management on the Company's compliance with laws and regulations and report to the Board as part of the regular reporting of committee meetings.

The Committee will review the scope of work of the Internal Audit and Compliance manager as it relates to issues of risk. The Committee will review reports from the Internal Audit and Compliance Manager in respect of risk matters together with managements response to such reports.

The Committee shall encourage a culture of risk awareness throughout the Company.

The Committee will provide advice on aspects of risk on request from the Board.

The Committee will report to the Board the outcome of each meeting of the Committee and ensure that all members of the Board are fully aware of the output of the work of the

Committee and the sensitivities or risks associated with the recommendations of the Committee.

The Annual Report and Accounts will include a separate section describing the role of the committee and the work undertaken in discharging its duties.