

**RANDALL & QUILTER INVESTMENT HOLDINGS LTD.**

**GROUP RISK COMMITTEE (the "Committee")**

**TERMS OF REFERENCE**

**1. Membership**

- 1.1 The Committee shall comprise at least three members and is chaired by an independent non-executive director, Philip Barnes. At the date of adoption of these terms of reference, the additional members are Joanne Fox, Non-Executive Director and, Alan Quilter, Group Chief Executive Officer. Susan Young, Chief Risk Officer attends and reports to the Committee. Meetings are also attended by William Spiegel, Executive Chairman, Thomas Solomon, Chief Financial Officer, Ash Malik, Group Head of Internal Audit and Angele St John, Group Head of Governance.
- 1.2 Members of the Committee shall be appointed by the Group board (the "Board") in consultation with the chair of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. Other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4 The Board shall appoint the Committee chair. In the absence of the Committee chair and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting. The chairman of the Board shall not be a member of the Committee.

**2. Secretary**

- 2.1 The company secretary, or his or her nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

**3. Quorum and Voting**

- 3.1 The quorum necessary for the transaction of business shall be two directors.
- 3.2 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 3.3 The members shall declare, at the beginning of each meeting, the existence of any conflicts of interest, to be minuted accordingly. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly, has a personal interest, that member shall not be entitled to vote at the meeting.
- 3.4 The Committee chair shall not have a casting vote. Where a majority decision cannot be reached, the matter concerned shall be referred to the full Board.

#### **4. Meetings**

- 4.1 The Committee shall meet at least four times a year, usually at least two weeks in advance of each regular Board meeting or at such times and frequency as the Committee chair will require.
- 4.2 Outside of the formal meeting programme, the Committee chair, and to a lesser extent the other Committee member, will maintain a dialogue with key individuals involved in the company's governance.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members.
- 5.2 Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting or such period as may be agreed by the Committee chair. Supporting papers shall be sent to Committee members at the same time.
- 5.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

#### **6. Minutes of Meetings**

- 6.1 The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be prepared as soon as reasonably practical after the meeting, agreed with the Committee chair, and then circulated promptly to all members of the Committee, unless it would be inappropriate to do so in the opinion of the Committee chair.

#### **7. Duties – Risk and the Management of Risk**

The Committee shall:

- 7.1 Oversee, on behalf of the Board, the management of risk across the Group and its managed operations and ensure the activities are appropriately integrated and aligned.
- 7.2 Ensure all regulatory and reporting obligations in relation to the above are met.
- 7.3 Ensure that the Group's Risk Management Framework effectively operates in embedding risk management throughout the Group and its extended business. This entails, but is not restricted to, the following: -
  - 7.3.1 Identification and addressing of all risks pertinent to the delivery of the Group's strategy; and

- 7.3.2 Determination of relevant appetites and tolerances for those identified risks (i.e. exposure that the Group can bear) and to make proposals on risk appetite and tolerance to be put forward to the Board for approval.
- 7.4 Review Group level summary risk management information, to suggest and approve modifications and to monitor the implementation of any remedial action.
- 7.5 Formally review and approve, on behalf of the Board, appropriate Group-level policies and approve the associated processes, procedures, controls and templates established for the purpose of risk management and internal control and ensure the following have been taken into consideration before escalating to the Board where necessary;-
- The nature and extent of risks facing the Group and its operations.
  - The extent and categories of risk which the Board regards as acceptable for the Group to bear.
  - The likelihood of the risks concerned materialising.
  - The ability of the Group to reduce the incidence and impact on the business of risks that do materialise.
  - The costs of operating controls relative to the benefit thereby obtained by managing the related risks.
- 7.6 To consider and report on the different types of risk the Group is exposed to, in line with the risk management framework.
- 7.7 To analyse and provide oversight on the linkage between Risk and Audit as well as Risk and Capital and ensure all links are substantial.
- 7.8 To ensure that appropriate levels of risk management reporting are maintained to the Committee and from the Committee to the Board.
- 7.9 To have regard for any risk review carried out by a regulatory body or an associated regulatory body and ensure that the information and evidence is given in line with expectations.
- 7.10 To monitor and review the Group's internal control and risk management systems, including the operation of the Committee, and, at least annually, carry out a review of their effectiveness for inclusion in the company's annual report (see also below).
- 7.11 Conduct a robust assessment of the Group's emerging risks and the mechanisms in place to identify and assess the same.
- 7.12 Oversee the preparation and ongoing review of relevant public disclosures as to:
- 7.12.1 How risk management has been embedded within the Group and.
  - 7.12.2 How assurance has been attained in relation to the effectiveness of the underlying internal control framework.

- 7.13 Determine its own timetable of activities annually, and review and monitor adherence to the same.
- 7.14 Ensure the Group's GSSA/CISSA framework and output therefrom is maintained by the risk management function on an on-going basis and ensure it is reviewed by the Committee prior to being escalated to the Board.

## **8. Engagement with Subsidiary Company Risk Committees**

- 8.1 To gain necessary comfort that there is an appropriate and proportionate level of risk management in operation within other Group companies in the context of the Group's approach to enterprise risk generally, and any local regulatory requirements. In respect of subsidiary risk committees (including, where applicable, audit committees at which enterprise risk is covered).
- a) request copies of the minutes of meetings.
  - b) require any subsidiary company risk committee to make general or specific enquiries into any areas of risk.
  - c) require reports on such enquiries to be issued to the Committee within such timescale as the circumstances require, in enough detail to enable any necessary amendments to be made to the Group's Statement of Financial Performance, or other statement.
  - d) request copies of any other report issued by any subsidiary company risk committee to that subsidiary's board of directors.
  - e) require subsidiary company risk committees to carry out a review in a form, reasonably acceptable to the Committee, of the operation and performance of enterprise risk management within the subsidiary and to issue to the Committee a copy of any results or report of that review; and
  - f) require the subsidiary company risk committees to notify the Committee of any plans to materially change the proposed approach to enterprise risk management within the subsidiary.

## **9. Reporting Responsibilities**

- 9.1 The Committee chair shall report formally to the Board on its proceedings after each meeting 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 compile a report on its activities to be included in the company's annual report.
- 9.4 The Chief Risk Officer will make an annual report, on behalf of the Committee, to the Group Audit Committee, on the operation of the group risk function, principal risks

and uncertainties, operation of the Group's control environment and any identified areas for development.

## **10. General Matters**

The Committee shall:

- 10.1 Have access to enough resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 10.2 Be provided with appropriate and timely training, as it considers necessary from time to time 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 relevant laws and regulations, the provisions of the QCA Corporate Guidelines for Small and Mid-Sized Quoted Companies and the requirements of the London Stock Exchange Rules for AIM companies as appropriate.
- 10.4 Oversee any investigation of activities which are within its terms of reference.
- 10.5 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.
- 10.6 Work and liaise as necessary with all other board committees.
- 10.7 Through the Committee chair, meet with subsidiary risk committee chairs at least annually.

## **11. Authority**

The Committee is authorized to:

- 11.1 Seek any information it requires from any employee of the company or any of the company's subsidiaries in order to perform its duties.
- 11.2 Obtain, at the company's expense, independent legal, accounting, or other professional advice on any matter it believes it necessary to do so; and
- 11.3 Call any employee to be questioned at a meeting of the Committee as and when required, and
- 11.4 Have the right to publish in the company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

**Adopted:** 1 April 2021