



FBD Holdings plc/FBD Insurance plc

Terms of Reference

– for –

Board Risk Committee

FBD Holdings plc/FBD Insurance plc

Terms of Reference for the Risk Committee

1. Scope

These terms of reference are for the Board Risk Committee of FBD Insurance and FBD Holdings plc (“FBD”, “The Company” or “Group”).

2. Membership

- 2.1** Members of the Board Risk Committee (the “Committee”) shall be appointed by the Board of FBD on the recommendation of the Nomination Committee.
- 2.2** The Committee shall be made up of at least 3 members, a majority of which shall be non-executive directors.
- 2.3** Appointments to the Committee shall be for such term as the Board shall determine.
- 2.4** The Board will appoint the Committee Chairman from the Committee membership comprising non-executive directors.
- 2.5** The Company’s appointed Chief Risk Officer shall be an attendee at all meetings of the Risk Committee although he shall not be a member of the Committee.
- 2.6** The Company’s Chief Executive Officer and Chief Financial Officer may be requested by the Committee to attend any or all of its meetings as the Committee Chairman shall determine.

3. Secretary

- 3.1** The Deputy Company Secretary or the Committee’s nominee shall act as the Secretary of the Committee.

4. Quorum

- 4.1** The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which both a quorum and the Chief Risk Officer are present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Meetings

- 5.1** The Committee shall meet regularly, on a quarterly basis at least, to coincide with the presentation of the Quarterly Risk Report to the Board in accordance with the Risk Management Framework.

6. Minutes of Meetings

- 6.1** The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2** Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

7. Duties

The Committee shall:

- 7.1 Provide oversight and advice to the Board in relation to current and potential future risk exposures of the Company and future risk strategy, including the determination by the Board of its risk policies, risk appetite and risk tolerance.
- 7.2 Promote a risk awareness culture within the Company.
- 7.3 Recommend a risk management framework including strategies and policies, risk appetite and risk tolerances to the Board for approval.
- 7.4 Ensure that the material risks facing the Company have been identified and that appropriate arrangements are in place to manage and mitigate those risks effectively.
- 7.5 Advise the Board on the effectiveness of strategies and policies with respect to maintaining, on an ongoing basis, the amounts, types and distribution of capital adequate to cover the risks of the Company.
- 7.6 Develop a reporting structure which reports any breaches of limits to the Committee in a timely fashion.
- 7.7 Review and challenge risk information received by the Chief Risk Officer from the business departments to ensure that the Company is not exceeding the risk limits set by the Board. This will include matters relating to Risk dealt with by the Executive Risk Committee which are reported to the Committee by the Chief Risk Officer.
- 7.8 Ensure that the risk function has an appropriate and achievable mandate to roll-out the risk management policy, risk limits and reporting structure to all business functions.
- 7.9 Present a profile of the Company's key risks, risk management framework, risk appetite and tolerance and risk policies at least annually together with a summary of the Committee's business to the Board.
- 7.10 Ensure a formal review and assessment of the agreed mandate and operational effectiveness of the Risk Function is performed on an annual basis.

8. Authority

- 8.1 The Committee is authorised to obtain outside independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

These terms of reference for the Board Risk Committee were approved by the Board of the Company and any changes to these terms of reference can only be sanctioned by resolution of the Board.