



FBD Holdings plc

Terms of Reference

– for –

Board Risk Committee

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1. OVERALL PURPOSE AND OBJECTIVES

The Risk Committees is a Committee of the Boards of Directors of FBD Holdings plc (the “Company”). The Chair and members of the Committee are appointed by the Board. The Risk Committee has responsibility for oversight and advice to the Board on the current risk exposures and future risk strategy.

In framing risk strategy, frameworks and policies, the Committee shall give full consideration to the principles and provisions of the Corporate Governance Requirements for Insurance Undertakings 2015 and UK Corporate Governance Code 2018 and shall take into account the long term interests of customers, shareholders, investors and other stakeholders in the Group.

2. MEMBERSHIP AND ATTENDEES

- i. Members of the Board Risk Committee shall be appointed by the Board of the Company on the recommendation of the Nomination Committee.
- ii. The Committee shall be made up of at least 3 members, a majority of which shall be non-executive directors, independent non-executive directors or a combination of both.
- iii. The Committee as a whole shall have relevant risk expertise.
- iv. The Board will appoint the Committee Chair from the Committee membership. The Chair shall be an independent non-executive director. In the absence of the Committee Chair, the remaining members present shall elect one of their members present to chair the meeting.
- v. The Company’s appointed Chief Risk Officer shall be an attendee at all meetings of the Committee although he or she shall not be a member of the Committee. The Committee is entitled to meet in the absence of the Chief Risk Officer if it thinks fit.
- vi. The Company’s Chief Executive Officer, Chief Underwriting Officer and Chief Financial Officer shall be regular attendees at Committee meetings.

3. VOTING RIGHTS

The Members of the Committee will be subject to the voting rights as detailed in the Company’s Articles of Association. Save as otherwise provided by the Articles, a Director shall not vote at a meeting of the Committee of Directors on any resolution concerning a matter in which he/she has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he/she is not entitled to vote.

4. SECRETARY

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

5. QUORUM

The quorum necessary for the transaction of business shall be two. 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 and discretions vested in or exercisable by the Committee.

6. FREQUENCY AND NOTICE OF MEETINGS

- i. 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.
- ii. Notice of each meeting, together with the agenda and supporting papers, will be delivered to Risk Committee members in a timely manner before each meeting to enable full and proper consideration to be given to the issues.

7. MINUTES OF MEETINGS

- i. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- ii. Minutes of Committee meetings shall be made available to all members of the Board, via Diligent, once approved by the Committee.

8. ROLE AND RESPONSIBILITIES

The Committee shall:

- i. 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.
- ii. Review and recommend a risk management framework including strategies and policies, risk appetite and risk tolerances to the Board for approval.
- iii. Review and Recommend the Annual Compliance Plan and Compliance Framework to the Board for approval.
- iv. 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.
- v. Review Emerging Risks and ensure that appropriate arrangements are in place to manage and mitigate those risks as necessary.
- vi. Promote a risk awareness culture within the Company
- vii. Review and ensure that an appropriate risk culture is embedded throughout FBD
- viii. 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.
- ix. Develop a reporting structure which reports any breaches of limits to the Committee in a timely fashion.
- x. 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.

- xi. 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.
- xii. Present a profile of the Company's key risks, risk management framework, risk appetite and tolerance and risk policies at least annually to the Board.
- xiii. Ensure a formal review and assessment of the agreed mandate and operational effectiveness of the Risk Function is performed on an annual basis.
- xiv. Meet separately with the Head of Compliance, Chief Risk Officer and the Head of Internal Audit at least annually to discuss any matters that the Committee or the Chief Risk Officer consider should be dealt with privately.

9. REPORTING RESPONSIBILITIES

- i. Regularly update the Board of the Company on the Committee's activities ensuring that it is promptly made aware of any matters that may significantly impact the risk profile, financial condition or affairs of the Group.
- ii. An annual written report is also provided by the Committee to the Board outlining the Committee's activities and major recommendations.
- iii. Annually review and update the Committee's Terms of Reference and receive approval from the Board for any changes.
- iv. Evaluate the Committee's own performance annually.

10. ANNUAL GENERAL MEETING

The Chair of the Committee shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

11. AUTHORITY

- i. The Committee is authorised by the board to seek any information it requires from any employee of the company in order to perform its duties.
- ii. In connection with its duties the Committee is authorised by the board to obtain, at the company's expense, any outside legal or other professional advice.