

**FINDEL PLC
RISK COMMITTEE
TERMS OF REFERENCE
MARCH 2017**

1. Purpose and Membership

- 1.1 The Risk Committee (the 'Committee') is responsible for providing assurance and advice to the Findel Plc Board (the 'Board') on the adequacy, effectiveness and execution of risk management in the Group. This will include advising on the quantification of the risk being accepted by the business and relationship to agreed risk appetites.
- 1.2 The Committee will also look to challenge Executives to continually deliver a straightforward and transparent risk culture across the Group.
- 1.3 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board.
- 1.4 All members of the Committee shall be independent non-executive directors. The chairman of the Board shall not be a member of the Committee. Quorum will be achieved when at least two members are present at the meeting either in person or by telephone conference. Resolutions of the Committee may also be adopted by written resolution signed by all members of the Committee in single or multiple signed copies.
- 1.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as (but not limited to) the chairman of the Board, chief executive, non-executive directors, finance director, managing directors and other divisional directors, the head of internal audit and representatives from the group finance function may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.6 The Board shall appoint the Committee chairman who shall be an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Duties

The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate. Areas of responsibility in which the Committee has authority to act in its own right are documented below. In all other respects the authority of the Committee is restricted to reporting and making recommendations to the full Board of directors.

2.2 Risk management systems

The Committee shall

- 2.2.1 keep under review the adequacy, effectiveness and execution of the Company's risk management systems, specifically the alignment of such to the Company's strategic aims; and
- 2.2.2 review and approve the statements to be included in the annual report concerning risk management.
- 2.2.3 provide advice to the Board on the Company's overall risk appetite, tolerance, framework and strategy in support of the Board's review and adoption of the same;
- 2.2.4 advise the Board on the current risk exposures of the company and future risk strategy including assessing the effectiveness of the risk assessment within the current framework and judging whether the business is bringing sufficient focus to bear on managing these risks;

2.2.5 in relation to risk assessment

2.2.5.1 Review annually the company's overall risk assessment processes that inform the Board's decision making

2.2.5.2 review and approve the parameters used in these processes and the methodology adopted

2.2.5.3 review and approve a standard for the monitoring of large exposures and risk types of critical importance

2.2.6 review the company's capability to identify and manage new risk types including the escalation/de-escalation of risks through the Group and Divisions.

2.2.7 seek sufficient assurances on the timeliness, direction and effectiveness of the risk management culture within the Group and Divisions.

2.2.8 review reports on any material breaches of risk limits and the adequacy of proposed action

2.3 Corporate risk structure

2.3.1 The EGL Board Risk Committee shall retain direct reporting lines to the EGL board but also report regularly to the Committee regarding its monitoring plan and activities

2.3.2 The FEL Board shall report to the Committee in relation to risk management activities

2.3.2 The Plc function shall report to the Committee both in respect to its cross cutting functions such as legal and internal audit, as well as any direct management of risks pertaining to its operations.

2.4 Internal audit and other assurance providers

2.4.1 The Committee shall monitor the effectiveness of the interaction between assurance and risk activities in improving risk management activity across the Company as part of an annual planning cycle

3. Reporting responsibilities

3.1 The Committee chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

3.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

3.3 The Committee shall report to the Board at least annually on how the Committee has discharged its responsibilities; and

3.4 The Committee shall produce a report on its activities to be included in the company's annual report.

4. Other matters

The Committee shall

4.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

4.2 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;

4.3 give due consideration to laws and regulations, the provisions of the Code and the requirements

of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate;

- 4.4 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 for approval.

5. Authority

The Committee is authorised to

- 5.1 seek any information it requires from any employee of the company in order to perform its duties
- 5.2 obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference
- 5.3 call any employee to be questioned at a meeting of the Committee as and when required
- 5.4 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.

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