



Terms of Reference – Risk Committee

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1. Constitution

The Board has established a Committee of the Board to be known as the Risk Committee (the “Committee”).

2. Membership

- 2.1 The members of the Committee, including its Chairman, shall be appointed by the Board.
- 2.2 The Secretary shall be appointed by the Chairman of the Committee.
- 2.3 The membership shall be the following:
 - Executive Directors;
 - Executive Leadership Team;
 - Group Director of Security, HSE and Risk; and
 - such other individuals as determined by the Board from time to time.
- 2.4 Board representation will be through the Chief Executive Officer and Chief Financial Officer.
- 2.5 The membership shall be reviewed on an annual basis by the Nomination Committee in consultation with the Chair of the Committee.

3. Attendance at Meetings

Any Board Director may attend meetings.

4. Frequency of Meetings

The Committee will meet at least four times (quarterly) a year but may meet more frequently if circumstances dictate.

5. Purpose

- 5.1 The Board of Directors is responsible for the Company’s system of internal control and for managing the risks associated with the business and markets within which the Company operates. The core responsibilities of the Committee are to:
 - assist the Board by assessing and reporting to the Board on the effectiveness of the Company’s internal control systems for managing risks including emerging risks;



- assist the Board in fulfilling its responsibilities by providing a framework for managing risks throughout De La Rue; and
- provide an appropriate level of reporting of the status of risk management within De La Rue to the Board.

5.2 The Committee shall carry out its responsibilities mainly by promoting awareness of internal control issues and risk management and through ensuring that there is a risk management framework designed to ensure that risks are identified, quantified, managed, monitored and reported. It shall act as a channel of communication between the Board of Directors and the Executive Leadership Team.

6. Authority

The Committee is authorised by the Board to investigate any matter falling within its terms of reference and to obtain any information it may require from any employee in the Group. All employees shall be directed to meet any requirements made by the Committee.

7. Duties

The duties of the Committee shall be to:

- 7.1 Recommend the risk management policy and strategy;
- 7.2 Oversee the development and maintenance of a group-wide risk management framework for identifying and managing risks;
- 7.3 Identify and review all major risks faced by the Company and ensure that appropriate controls are in place to manage those risks;
- 7.4 Review the company's ability to identify and manage emerging risks;
- 7.5 Advise the Board on the company's overall risk appetite, taking into account the current strategic drivers of the business;
- 7.6 Promote a risk management culture and control environment;
- 7.7 Review the effectiveness of the Company's non-financial internal control systems in the management and reporting of risks; and
- 7.8 Provide at least four times a year to the Board and the Audit Committee an appropriate level of reporting in relation to:
 - major risks facing the Company, together with an assessment of likelihood and potential impact;
 - the controls which are in place to manage those risks; and
 - the status of risk management within the Company.

8. Fixed Agenda Items

Fixed items for consideration will include:

- 8.1 Functional risk profiles (to be presented by Chief Officers and Heads of Functions);
- 8.2 Discussion and approval of the key risks for submission to the Audit Committee; and
- 8.3 Emerging risk profiles, horizon scanning and focused view on forward looking risks.



9. Reporting Procedures

- 9.1. The Committee Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee.
- 9.2. The Chairman of the Committee shall provide the Audit Committee or the Board (as appropriate) with a report on any material issues discussed at meetings of the Committee.
- 9.3. The Committee shall report on its activities in the Annual Report, describing the material matters considered by the Committee.
- 9.4. The terms of reference of the Committee, including its role and the authority delegated to it by the Board, shall be made available on the Company's website.

10. Other matters

The members of the Committee shall:

- 10.1. Have access to sufficient resources in order to carry out their duties, including access to the Company Secretariat for advice and assistance as required;
- 10.2. Be provided with appropriate and timely training both in the form of an induction programme and on an ongoing basis;
- 10.3. Give due consideration to all relevant laws and regulations, the requirements of the FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules, the provisions of the UK Corporate Governance Code and published guidance and any other applicable rules, as appropriate;
- 10.4. Oversee any investigation of activities which are within its terms of reference;
- 10.5. Work and liaise as necessary with the Audit Committee and any other Board committee as appropriate, taking particular account of the implications of risk management and internal controls being overseen by different committees;
- 10.6. Ensure that a periodic evaluation of the Committee's performance is carried out; and
- 10.7. 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.

Approved by the Board of Directors of De La Rue plc on 18 March 2021