

Terms of Reference - Risk Committee

Constitution
Membership
Attendance at Meetings
Frequency of Meetings
Purpose
Authority
Duties
Fixed Agenda Items

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 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 Audit, Risk and Assurance
 - Group Director of HSSE
 - 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.

3. **Attendance at Meetings**

Any Director may attend meetings.

4. **Frequency of Meetings**

The Committee will meet at least twice 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
 - assist the Board in fulfilling its responsibilities by providing a framework for managing risks throughout De La Rue
 - 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 new types of 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;
- 7.8 Provide at least twice 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
 - 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;
- 8.3 Internal Audit update.

Approved by the Board of Directors of De La Rue plc on 21 March 2018