



EQUITY GROUP HOLDINGS PLC

BOARD RISK COMMITTEE

TERMS OF REFERENCE

Approved by the Board at the meeting held on12th March..... 2023

TERMS OF REFERENCE

The Group Risk Committee “the Committee” or “GRC” is appointed by the Board of Directors of Equity Group Holdings PLC (EGHPLC) “the Board” to assist the Board in discharging its duties relating to the identification of key risk areas and key performance indicators in EGHPLC group of companies “the Group”.

The GRC will consult closely with the Management and subsidiary boards in fulfilling the following responsibilities:

- a) Risk Culture – Set high standards for ethics and integrity and establish a risk culture at all levels across the Group that embeds risk-related considerations into the business activities and decision-making process.
- b) Group Risk Governance – Review, at least annually, the Group’s risk governance structures and roles and responsibilities, as well as the principal risks that, individually or in combination, can seriously affect the performance or reputation of the Group. The principal risks are strategic; capital; liquidity; credit; traded; insurance; country; reputational; technology, information and cybersecurity; conduct; financial crime; compliance; operational; ESG/climate; fraud and model.
- c) Enterprise Risk Management – Consider and recommend for Board approval the risk management frameworks and policies recommended by management and annually review and recommend for Board approval any material changes to such frameworks and policies.
- d) Risk Appetite – Review and recommend for Board approval the Group’s risk appetite annually, and any other parameters, limits, thresholds, and other key metrics. Receive reports on results against defined risk appetite and stress testing. The GBRC shall be notified promptly if the Group’s Risk Appetite results have exceeded or are forecasted to exceed the Board approved risk appetite levels.
- e) Receive and review regular reports from management that identify the size and significance of risks in terms that are clear and meaningful to the Committee and direct necessary actions. The reports should cover significant control issues in internal audit reports, management letters from external auditors, and regulatory authorities’ examination reports, and such other significant control matters that are identified by the relevant business and/or function, as appropriate, and the progress towards resolution of these issues.
- f) Emerging risks – scan the Group’s operating environment for emerging risks and initiate necessary mitigating actions.
- g) Regulatory Compliance – ensure full compliance with all relevant laws and regulations.
- h) Assets and Liabilities – monitor and ensure optimal composition of assets and liabilities within the Group.
- i) Liquidity – Review the consolidated liquidity position for the banking subsidiaries against regulatory requirements, and individual liquidity positions for the non-banking financial institutions against their respective regulatory requirements.
- j) Funding – within the overall Group policy, ensure that appropriate levels of liquidity are maintained and that all future commitments are funded in the most appropriate and cost-effective manner.
- k) Loan portfolio/delinquency management – review and ensure that the loan portfolio is well managed in terms of quality and provisioning.
- l) Capital Adequacy – review and ensure that the Group’s capital adequacy is within the regulatory requirements.
- m) Review of the Committee Charter

Review of the Committee TOR

The Committee shall regularly review and reassess the adequacy of these TOR at least annually and submit to the Board for approval.