

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

1. Status and Purpose

The Risk Management Committee will be a committee established by the Board to operate the Board's policy on risk management and control all significant risks and shall report to the Board regularly. Ultimately the whole Board will be responsible for the Company's internal controls and risk management.

2. Composition

The membership of the Committee shall comprise the Executive Directors of the Company, the Divisional Directors (if they are not Executive Directors), the Company Secretary, the Group HR Director, the Group Marketing Director and the Group IT Director. The Committee shall be chaired by the Chief Executive.

3. Meetings

The Committee shall meet to consider the six monthly returns by the Group operating companies on the significant risk reports and otherwise as required.

4. Reports

The Committee will approve reports to the Board acting as a whole, in its consideration of significant risks to the business. The normal form of reporting shall be through providing the Board with a copy of the Risk Management Meeting Minutes and such other information as the Board may from time-to-time request for consideration by the Board.

5. Professional Advice

The Committee may obtain outside legal or other professional advice if that is necessary for it to achieve its purpose.

6. Duties

- 6.1. The Committee shall determine what action shall be taken and allocate responsibilities for matters arising out of reports by the Group operating companies.
- 6.2. At least annually the Committee shall review the significant risks affecting the business and determine whether there are new risks to be communicated to Group operating companies for their report.
- 6.3. The Committee shall, as appropriate, appoint individual members to have responsibility for areas of risk management.
- 6.4. The Committee shall consider reports from individual members on risk management matters where controls are required but where the potential effects do not make them significant risks.

- 6.5. The Committee will review the system of communication and risk management and reporting procedures followed by the Group operating companies on an annual basis to ensure that the systems are adequate and effective.
- 6.6. The Committee shall review the Register of Risks and the adequacy of countermeasures against the identified significant risk level. This review will normally take place at three yearly intervals. The review will be facilitated by a suitable external professional advisor.
- 6.7. In exercising its functions and duties, the Committee shall have regard to the general duties of directors specified in sections 171 to 177 of the Companies Act 2006 and in particular to the duty to promote the success of the Company contained in section 172 of the Act and, so far as relevant, to the matters listed in that section.