

1 Role

- 1.1 The role of the Committee is to support the Board of Intermediate Capital Group plc ("the Company") and its subsidiaries ("the Group") in managing risk; complying with regulations; and promoting good conduct.

2 Membership

- 2.1 The Committee comprises at least three independent non-executive directors, including at least one member of the Audit Committee. At least one member will ideally have recent risk management experience in the financial services sector. The Chairman of the Board may serve on the Committee if he or she is independent.
- 2.2 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited by the Committee Chairman to attend all or part of meetings.
- 2.3 Appointments to the Committee are made by the Board and will be for a period of up to three years, which may be extended for further periods of up to three-years, provided the Director still meets the criteria for membership of the Committee.
- 2.4 The Board will appoint the Committee chairman. In the absence of the Committee Chairman, the remaining members present will elect a Committee member to chair the meeting.

3 Secretary

- 3.1 The Company Secretary or his or her nominee is the Secretary of the Committee.
- 3.2 The Secretary will be responsible for ensuring that the Committee complies with its terms of reference.

4 Quorum

- 4.1 The quorum necessary for the transaction of business will be two members. Members may attend in person or by telephone or video conference. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.2 Circulated written resolutions will constitute a resolution of the Committee.

5 Frequency of meetings

- 5.1 The Committee will meet at least three times a year and otherwise as required.

6 Notice of meetings

- 6.1 Meetings of the Committee will be convened by the Secretary of the Committee at the request of the Committee Chairman or Company Chairman.
- 6.2 Unless otherwise agreed with the Committee Chairman, notice of each meeting confirming the venue, time and date together with the agenda and supporting papers will be forwarded to each member of the Committee no later than five working days before the date of the meeting. Relevant papers may be made available to other individuals required to attend.

7 Minutes of meetings

- 7.1 The Secretary will minute the proceedings and resolutions of all meetings, record declarations of interests and those present and in attendance.
- 7.2 Draft minutes will be circulated promptly to the Chairman of the Committee and subsequently be circulated to Committee members for approval and the Company Chairman. The approved minutes will be made available to the Board.

8 Annual General Meeting

- 8.1 The Committee Chairman should attend the Annual General Meeting to answer any shareholders' questions on the Committee's activities.

9 Duties

9.1 Advice to the Board

- 9.1.1 Arrange for periodic reviews of the Committee's performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively. Recommend appropriate changes.

9.2 Advice to the Board having taken the advice of the Chief Executive and Chief Financial Officer

- 9.2.1 Determine and assess the appropriateness of the risks that the Group proposes to take in executing its strategy and make recommendations to the Board as to appetite and tolerance
- 9.2.2 Review and recommend the Internal Capital Adequacy Assessment Process ("ICAAP")
- 9.2.3 Recommend the extent of Directors' and Officers' insurance coverage
- 9.2.4 Recommend the prosecution, defence or settlement of litigation or alternative dispute resolution involving an actual or potential liability to costs and sums in excess of £2 million or which are otherwise material to the interests of the Group in respect of which (a) a claim letter had been issued and (b) the General Counsel's view is that the claim is not groundless.
- 9.2.5 A regular recommendation (at least annually) in respect of the monitoring of the Group's risk management and internal control systems and the review, at least once a year, of the effectiveness of such systems and providing a report on that review in the Company's annual report. The monitoring and review should cover all controls, including financial, operational and compliance controls, investment risk and management of other risks

9.3 Advice to the Remuneration Committee

- 9.3.1 Confirm the alignment of the remuneration policy with risk appetite
- 9.3.2 Recommend adjustments to any employee's remuneration for events that have been detrimental to the Group including events that have exceeded the Board's risk appetite.

9.4 Advice to the Audit Committee

- 9.4.1 Review and recommend all notes to the accounts quantifying risk exposures
- 9.4.2 Review and recommend the statements to be included in the annual report, half year report, prospectuses and circulars concerning risk management
- 9.4.3 Recommendations for internal audit work.

9.5 Other duties

- 9.5.1 Review and approve the Risk Appetite Framework, ensuring its ongoing integrity and suitability to support the Board's strategic objectives in light of changing internal and external circumstances
- 9.5.2 Undertake a robust assessment of the framework of risk management and internal controls that enables the strategic, financial (other than financial reporting), operational and emerging risks of the Group to be assessed and managed

- 9.5.3 Review the Company's procedures for identifying, assessing, controlling and mitigating the material risks and emerging risks faced by the Group and ensure these procedures allow proportionate and independent investigation of such matters and appropriate follow up action
- 9.5.4 Review reports on the effectiveness of the systems of risk management and/or the Group's attitude to and tolerance of risk
- 9.5.5 Receive timely notification of material breaches of risk limits and internal control processes and the remedial action taken or proposed
- 9.5.6 At least tri-annually and as required, review and approve the following policies:
 - 9.5.6.1 Anti-financial crime
 - 9.5.6.2 Anti-bribery and corruption
 - 9.5.6.3 Business continuity
 - 9.5.6.4 Change management
 - 9.5.6.5 Complaints Management and Complaint Handling
 - 9.5.6.6 Conflicts of interest
 - 9.5.6.7 Dawn raid
 - 9.5.6.8 Gifts and entertaining
 - 9.5.6.9 Modern Slavery
 - 9.5.6.10 Order Execution
 - 9.5.6.11 Personal account dealing
 - 9.5.6.12 Product Governance
 - 9.5.6.13 Code of Ethics and Compliance Manuals
- 9.5.7 Compliance with the above policies and any other policies agreed to be overseen by the Committee
- 9.5.8 Where escalated by the Chief Executive Officer and/or the Group Compliance Officer, consider specific matters relating to anti-financial crime or anti-bribery and corruption (including "know your customer"/"know your client" issues)
- 9.5.9 At least annually review any whistleblowing activity which has occurred and provide a verbal or written report to the Board
- 9.5.10 At least annually receive the report of the Money Laundering Reporting Officer
- 9.5.11 Annually consider and approve the remit of the risk management function (including the compliance function) and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards
- 9.5.12 Review (and, at least annually, report to the Board) the Group's internal risk management systems and processes
- 9.5.13 Approve the risk management's function's work programme
- 9.5.14 Approve the compliance function's annual work programme
- 9.5.15 Receive regular updates on the work of the risk and compliance functions and consider the adequacy of response to any compliance failures and weaknesses
- 9.5.16 Review and approve the Pillar 3 disclosures

Intermediate Capital Group plc

Risk Committee terms of reference

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- 9.5.17 Identify matters that adversely affect or promote good culture and conduct within the Group
- 9.5.18 Review and approve Group insurance coverage
- 9.5.19 If notified by the Board or the Nominations and Governance Committee, approve appointments or dismissals of the Group Risk Officer and the Compliance Officer
- 9.5.20 Meet with the Chief Risk Officer at least once a year, without the presence of management;
- 9.5.21 Meet with the Group Compliance Officer at least once a year, without the presence of management; and
- 9.5.22 Work and liaise as necessary with all other board committees.

10 Reporting

- 10.1 The Committee Chairman will update the Board on its proceedings (noting any approvals made on behalf of the Board) after each meeting.
- 10.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit.
- 10.3 The Committee will produce a report to be included in the company's Annual Report reporting on its activities. The report will comply with best practice disclosures.

11 Other matters

- 11.1 The Committee will have access to sufficient resources to carry out its duties.
- 11.2 The Committee:
 - (a) may seek any information it requires from any employee of the company in order to perform its duties;
 - (b) may call any employee to be questioned at a meeting of the committee as and when required; and
 - (c) shall 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.
- 11.3 The Committee will 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.
- 11.4 The Committee is authorised to obtain, at the Company's reasonable expense, outside legal, risk and other professional advice on any matters within its terms of reference.