



RISK COMMITTEE

TERMS OF REFERENCE

February 2023

RAVENSCROFT HOLDINGS LIMITED (the "Company")
GROUP RISK COMMITTEE (the "Committee") - TERMS OF REFERENCE

CONSTITUTION

1. The Members of the Committee for the time being shall be:-

Group Head of Risk ("Chairman")
Group Managing Director of Operations ("MDO")
Jersey Head of Compliance
Group Chief Investment Officer
Group Financial Controller
Group in-house Legal Counsel
Group Head of Cash Management / Treasury
Group Head of Client Services
Group Head of Human Resources

1.1 A Director or Senior Manager-level representative from each of the Group's jurisdictional regulated boards or core services will be invited to attend and represent at each meeting, as and when required:

- Ravenscroft Investments (UK) Limited
- Ravenscroft (IOM) Limited
- Ravenscroft Jersey Management Committee
- Ravenscroft Precious Metals
- Execution Only Trading
- Advisory Broking
- Discretionary Investment Management
- Specialist Corporate Services

1.2 A member may cover more than one area of the business.

2. The Risk Committee shall consist of a minimum of eight Members. The Chairman of the Committee shall be the Group Head of Risk. In their absence, the Group MDO will act as Chairman or in their absence any other Member of the Committee shall be appointed to chair the meeting.

3. In the case of an equality of votes, whether on a show of hands or in a poll, the Chairman shall be entitled to have a second or casting vote in addition to the vote(s), which the Chairman may have.

4. The Group Company Secretary or Assistant Company Secretary shall act as the Secretary to the Committee. In the absence of the Group Company Secretary and the

Assistant Company Secretary, a Member of the Committee shall be appointed as Secretary to the Committee.

5. The Committee comprises a director or Senior Manager-level representative from each core service offering in each principal operational area in the Ravenscroft Group and covers all jurisdictions in which the Group has a presence. Each Member should encourage an alternate of similar standing to attend at least one meeting each year.
6. The quorum for decisions of the Committee shall be any four Members of the Committee, except where a Member has a conflict in making that decision. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

ROLE

7. The Committee is concerned with all businesses of the Group and shall be responsible for overseeing the day-to-day risk management of these businesses. Its overall purpose shall be to consider and analyse any matters of significant risk to the Group and report those findings to the Board of the Company, via the Audit Committee, and to the boards of the regulated Group subsidiaries in the discharge of its responsibilities.

The Committee's role is:

- 7.1. to support the Board of Directors of the Company, the regulated Group Boards and the unregulated subsidiary Group Boards in all risk matters relating to fulfilling the objectives of the business;
- 7.2. to act as a forum to consult other Members on major risk policy issues and to advise senior management on matters of concern to the business;
- 7.3. to monitor, review and evaluate the risks and the controls that are in place across the business and where appropriate take action to address any weaknesses in the controls that are in place;
- 7.4. to evaluate the risks associated with the development and launch of new products or services, including but not limited to the risk of financial loss, appropriate structuring, launch, customer documentation and staff training;

7.5. to consider issues that could affect the significant and principal risks faced by the business, comprising:

1. **Capital risk**
2. **Conduct risk**
3. **Credit risk/Counterparty Risk**
4. **Environmental, Jurisdictional and Geo-political risk**
5. **Anti-Money Laundering/Countering the Financing of Terrorism Risk**
6. **Governance risk**
7. **Insurance risk**
8. **Liquidity and Financial Resources risk**
9. **Market risk**
10. **Operational risk**
11. **Strategy/Business Model Risk**
12. **Cyber & Data risk**
13. **Climate risk**
14. **Outsourcing risk**
15. **Reputational risk**
16. **Regulatory risk**
17. **Employee/People risk**
18. **Market Abuse**
19. **Fraud risk**
20. **Legal risk**

7.6. to have oversight and assist in the implementation of the Business Risk Assessments and the Risk Management Framework and ancillary documents for review and approval by the Audit Committee, the Board of the Company, the regulated Group boards and the unregulated subsidiary Group boards;

7.7. to horizon scan and identify any emerging risks and where possible, to develop protocol and systems to mitigate those risks;

7.8. to review and evaluate financial limits and where needed recommend or set appropriate limits;

7.9. to ensure that each division within the business is aware of the risks affected by that business area and how to mitigate those risks wherever possible;

7.10. to consider any other matters relating to the Group's Governance Risk Management Framework;

7.11. to interpret the Group Risk Appetite Statement and to liaise with the Board of the Company, the Audit Committee, the regulated Group boards and the unregulated subsidiary Group boards regarding each area's individual risk appetite;

- 7.12. to consider and continually review the senior management arrangements, systems and controls and where necessary recommend any new risk management process to the Board of the Company, the Audit Committee, the regulated Group boards and the unregulated subsidiary Group boards for approval;
- 7.13. to oversee the development and implementation of the business risk policies and procedures;
- 7.14. to consider any other matter specifically referred to the Committee by the Board of the Company, the Audit Committee, the regulated Group boards and the unregulated subsidiary Group boards;
- 7.15. to oversee any investigation of activities which are within the Committee's Terms of Reference; and
- 7.16. to consider and maintain a list of approved client money deposit takers, and to liaise with the Board of the Company, the Audit Committee, the regulated Group boards and the unregulated subsidiary Group boards regarding its implementation.

PROCEDURE

8. Only Members of the Committee have the right to be present and vote at Committee meetings. Any other employee or individual may be invited to attend and speak at meetings of the Committee.
9. The Committee shall meet quarterly and at such other times as the Chairman of the Committee shall require. Meetings of the Committee may be held by telephone or by video conferencing. Meetings may also be called at the request of any Member of the Committee.
10. At least five days' notice of any meeting of the Committee shall be given to each Member of the Committee, confirming the venue, time and date of the meeting and attaching an agenda of items to be discussed. All supporting papers will be sent out at least five working days before the meeting, although such notice period may be waived or shortened with the consent of all the Members of the Committee. The only exception to this is where any MLRO wishes to convene an urgent meeting to discuss an urgent matter that requires Committee input.
11. The Secretary of the Committee shall minute the proceedings and resolutions of the quarterly Committee meetings (including the names of those present and in attendance) and shall ensure the Committee is properly constituted and advised. The Secretary of the Committee should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The minutes

of the meeting of the Committee shall be circulated to all Members of the Committee within ten business days of the meeting and, once signed, be tabled to the Company's Board on a quarterly basis.

12. The Chairman shall report formally to the Board of the Company, the Audit Committee, and the regulated Group boards, at least quarterly on the proceedings of this Committee and to the unregulated subsidiary Group boards when appropriate.
13. The Board of the Company and any other regulated Group Board hereby authorises the Committee:
 - 13.1. to investigate any activity within its Terms of Reference and seek directly any information it requires from any employee, consultant or contractor of the business and other providers of services to the business (e.g. solicitors, tax advisers, internal auditors, management consultants) (all such persons being directed to cooperate with any such request by the Committee);
 - 13.2. to obtain outside legal or other independent professional advice at the cost of the business and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary (but such persons shall not be Members of the Committee); and
 - 13.3. to call any member of staff to present and be questioned as relevant at a meeting of the Committee as and when required.
14. The Committee shall conduct an annual review of its own performance, constitution and these Terms of Reference to ensure that it is operating at maximum effectiveness and shall make recommendations to the Board of the Company and any other Group board as may be required.

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