

TERMS of REFERENCE for the BOARD RISK COMMITTEE of HALIFAX SHARE DEALING LIMITED

REPORTS TO AND RECEIVES DELEGATED AUTHORITY FROM

The Board of Halifax Share Dealing Limited (HSDL)

AUTHORITY TO DELEGATE FURTHER

To the Executive Risk Committee of HSDL

CHAired BY

HSDL Non Executive Director – Karlene White

Deputy Chair - HSDL Non Executive Director – Carl Membery

ToR AUTHORISED BY AND WHEN

1. HSDL Board Risk Committee – September 2017

2. HSDL Board – September 2017

ANNUAL REVIEW

November

MEETING FREQUENCY

Quarterly

PURPOSE

The Committee is an oversight body providing business led governance and oversight and has authority to make decisions in relation to:

- Business Risks in relation to HSDL
- Current material and or emerging issues including incremental operational exposure and conduct risks such as from new products, new markets, new distribution channels (including internal and external suppliers)
- Changes in regulatory and competitive landscape

KEY RESPONSIBILITIES AND DECISIONS

The Committee is responsible for the oversight of:

- The business' risk appetite, management, monitoring and effectiveness of the business' risk management framework, including local policies and standards
- The assessment of current and emerging risks and issues, and related risk mitigation activity
- Compliance with the Group's governance and risk requirements, including Group Policies and Standards, compliance with regulatory and legal obligations
- The review of assurance assignments and outcome testing findings
- Approval of new or revised outcome testing measures or plans and issues under management and rectifications
- The Chair is responsible for ensures that a ToR is in place and is kept up to date

MEMBERSHIP

The Chair will review membership of the Committee from time to time and is solely responsible for appointing and removing Members / Attendees.

Members

- Non Executive Director (Karlene White) (Chair)
- Non Executive Director (Carl Mobery) (Deputy Chair)
- Non Executive Director (Marc Lien)

Attendees

- Managing Director (Manuel Pardavila-Gonzalez)
- Finance Director (Joel Ripley)
- Head of Risk (John O'Dwyer)
- Business Representatives from HSDL as appropriate

*Members who are FCA Approved Persons are reminded that they must take reasonable steps to ensure that the business of the firm for which they are responsible in their accountable function complies with the relevant requirements and standards of the regulatory system.

DECISION MAKING

Members provide collective oversight and support decision.

The quorum required for any decisions of the Committee is any two Members.

MINUTES

All decisions and key actions are documented by the Secretariat and issued within 5 working days. The Chair, as appropriate, will report the outputs to the HSDL Board.

INPUTS

- Minutes for Noting from HSDL EXCO Committee
- Items for escalation / decision from the Executive Risk Committee
- MI and reports via HSDL EXCO enabling effective oversight of all business risks
- Current material / emerging issues including incremental exposures such as from new products, new markets, new distribution channels (including internal and external suppliers) and changes in regulatory and competitive landscape

OUTPUTS including the circumstances for escalation

- Chair to report material matters to the HSDL Board
- Members can request the Secretary to note an objection to a decision in the minutes, and have the right to escalate the decision to the HSDL Board, as appropriate