

**TERMS OF REFERENCE OF THE RISK COMMITTEE  
OF PHOENIX GROUP HOLDINGS PLC**

Adopted by the Phoenix Group Holdings plc Board on 22 November 2023

**PHOENIX GROUPTHOLDINGS PLC**  
**(the "Company")**

**TERMS OF REFERENCE OF THE RISK COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
**(the "Committee")**

**1. CONSTITUTION**

- 1.1 The Committee has been established by resolution of the board of directors of the Company (the "Board") and is to be known as the Risk Committee. Its terms of reference replace the terms of reference of any pre-existing risk committee.

**2. ROLE**

- 2.1 The role of the Risk Committee is to advise the Board on risk appetite and tolerance in setting the future strategy, taking account of the Board's overall degree of risk aversion, the current financial situation of the Company and – drawing on assessment by the Audit Committee – the Company's capacity to manage and control risks within the agreed strategy. It shall advise the Board on all high-level risk matters and should not extend into operational matters which are for the executive within the overall risk framework determined by the Board. The duties of the Committee are more fully described in paragraph 9.

**3. MEMBERSHIP**

- 3.1 The Committee shall comprise not less than three members, all of whom are appointed by the Board from amongst the non-executive directors of the Company. In addition, the Chair of the Board may be a member of (but not chair) the Committee if they were considered independent on appointment as Chair. A majority of members of the Committee should be independent non-executive directors. The Board will determine each member's independence based on whether the member is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the member's judgement. The Committee Chair shall be appointed by the Board.
- 3.2 Appointments to the Committee shall be for a period of up to three years, which may be extended by two further three-year periods, provided that the majority of the Committee members remain independent.

- 3.3 The executive directors and other members of management of the Company shall not be members of the Committee.
- 3.4 No person shall be permitted to attend Committee meetings unless they are:
- (a) a member or secretary of the Committee;
  - (b) the Group Company Secretary;
  - (c) invited by the Committee Chair to attend the meeting in question (including but not limited to any expert person(s), representative(s) of the external auditors, the Chair of the Audit Committee (if not a member of the Risk Committee), the Group Chief Executive Officer, the Chief Financial Officer (the "CFO") and/or the Group Chief Risk Officer).
- 3.5 Appointments to the Committee shall be made by the Board on the recommendation of the Company's Nomination Committee.
- 3.6 Members of the Committee shall be named in the Annual Report and Accounts of the Company.

#### **4. SECRETARY**

- 4.1 The Group Company Secretary or their nominee shall act as the secretary of the Committee.

#### **5. MEETINGS**

- 5.1 The Committee shall meet at least three times a year at appropriate times or more frequently as circumstances require.
- 5.2 Any director of the Company shall have the right, by invitation in accordance with paragraph 3.4(c), to attend and speak but not to vote at any meeting of the Committee.
- 5.3 Unless provided otherwise in these terms of reference, meetings of the Committee shall be conducted in accordance with the provisions of the Company's articles of association (the "Articles") governing the proceedings of directors. In the absence of the Committee Chair, the members attending shall elect one of them to be Chair for that meeting. The quorum for meetings of the Committee shall be two independent non-executive directors (not including the Chair of the Board).

## **6. NOTICE OF MEETINGS**

- 6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members or at the request of the Company's external or internal auditors if they consider it necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting.
- 6.3 No person other than permitted attendees and members of the Company Secretariat shall be entitled to receive any papers relating to the Committee unless expressly authorised in writing by the Committee Chair.
- 6.4 The Board may request copies of the minutes of any meeting of this Committee (provided that no conflict of interest with the business of the meeting exists).

## **7. REPORTING RESPONSIBILITIES**

- 7.1 The secretary shall minute the proceedings and the resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute it accordingly. Draft minutes of Committee meetings shall be circulated to the Chair within fourteen days of the meeting.
- 7.2 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report, which will contain a description of the principal risks related to the Company's business strategy.
- 7.4 The Committee Chair shall attend the annual general meeting of the Company and shall be prepared to respond to any shareholder questions on the Committee's activities raised at that meeting.

## **8. AUTHORITY**

- 8.1 The Committee is authorised by the Board to:

- (a) investigate and undertake any activity within its terms of reference;
- (b) seek any information that it properly requires from any employee of any member of the Group in order to perform its duties (and all employees are directed by the Board to co-operate with any request made by the Committee);
- (c) call any employee to be questioned at a meeting of the Committee as and when required; and
- (d) meet the Group Chief Risk Officer at least once a year, without management being present to discuss their remit and any issues arising from their work. In addition the Group Chief Risk Officer should be given the right of direct access to the Chair of the Committee. The Board must agree to the removal of an individual from the role of Group Chief Risk Officer.

8.2 If the Committee considers it necessary so to do (for example, to challenge its analysis and assessment of risk), it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of external parties with relevant experience and expertise and to invite those persons to attend meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits authorised by the Board.

## **9. DUTIES**

9.1 The duties of the Committee shall be to:

- (a) maintain the Group's Risk Management Framework and review the effectiveness of its operation;
- (b) at least every three years, review the ongoing appropriateness of the design of the Risk Management Framework using a suitably qualified and independent external third party;
- (c) approve the Group's overall risk management strategy;
- (d) approve material changes to the Group's principal risk policies. Where certain policies are delegated elsewhere, satisfy itself that these responsibilities are being discharged;
- (e) consider and recommend to the Board for approval the Group's risk appetite framework and limits;

- (f) provide oversight over any breaches of risk appetite and rectification plans;
- (g) monitor compliance with the Group's principal risk policies and provide oversight over any breaches and rectification plans;
- (h) review the Group's risk profile and monitoring against the Group's risk universe including:
  - (i) performance vs. the Group's risk appetite;
  - (ii) risk trends;
  - (iii) risk concentrations; and
  - (iv) Key Performance Indicators;
- (i) undertake an annual review of the risk profile of Standard Life International dac ("SLIDAC") including risks arising from its business strategy;
- (j) undertake horizon scanning and oversee the management of all material current and new emerging risks to the Group;
- (k) approve the plan for the risk function, including the principal activities and resources;
- (l) to review the appropriateness of the Group's culture for managing risk and internal controls, and the extent to which the culture is embedded at all levels of the Group;
- (m) receive updates on regulatory risk matters, including material PRA / FCA interactions, PSM / FEM actions and any material PRA / FCA correspondence with the Group;
- (n) consider risks, issues and matters that are escalated from the Life Companies Board Risk Committee and Model Governance Committee to ensure adequate coverage of the Group's significant business risks and systems of internal control;
- (o) receive updates from the Chair of the Life Companies Board Investment Committee on at least an annual basis;

- (p) approve the Terms of Reference of any sub-committees or working parties established by the Committee;
- (q) oversee and challenge the design and execution of the Group's stress and scenario testing framework, including Reverse Stress Testing;
- (r) provide oversight of the identification, assessment, management and reporting of climate related risks within the Group Risk Management Framework including oversight of the Group's climate related stress and scenario testing;
- (s) oversee the identification, assessment management and reporting of risks relating to asset management including those relating to new asset classes;
- (t) provide oversight of risk disclosures in respect of climate related risks coordinating with the Board Sustainability Committee and Board Audit Committee as appropriate;
- (u) evaluate the company's principal risks, to be taken into account by the Board when assessing the Company's prospects;
- (v) review and approve the statements to be included in the annual report relating to internal controls and risk management;
- (w) consult with the Phoenix Group Holdings plc Board Remuneration Committee regarding the management of the Group's material risks to support their consideration of the previous year's Annual Incentive Plan rewards;
- (x) provide oversight and challenge of due diligence on risk issues relating to material transactions and strategic proposals, ensuring the potential consequences of any such transactions are appropriately considered;
- (y) provide oversight and challenge of risk issues relating to integration risks from any acquisition(s) and disposals
- (z) review the conflicts of interest register on an annual basis to:
  - ensure that all expected conflicts are captured;
  - assess whether the nature of any conflicts has changed;
  - ensure that any mitigating actions are still fit for purpose; and

- (aa) consider any other matters as may be requested by the Board;
- (bb) review other disclosures or documents as determined by the Board; and
- (cc) delegate any of its powers to one or more of its members or the secretary of the Committee.

## **10. OTHER MATTERS**

10.1 The Committee shall:

- (a) have regard to any relevant advice from the board audit committee or internal audit function concerning the effectiveness of its current control framework;
- (b) remain alert to the possible need for expert advice and support on any risk issue, taking action to ensure that they receive such advice and support as may be necessary to meet their responsibilities effectively;
- (c) have access to the services of the Company Secretariat function on all Committee matters, including assisting the Committee Chair in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support;
- (d) at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.