

# Phoenix Group Holdings plc

## Risk Committee Terms of Reference

Date of adoption:  
5 February 2025

# Purpose

The Risk Committee is responsible for, but not limited to:

<b>1. Purpose</b>	<ul style="list-style-type: none"><li>• The primary role of the Risk Committee is to provide oversight and advice to the Board on current and future risk exposures of the Group. This can include but not limited to strategic developments, determination of risk appetite and tolerance, the appropriateness of the Group's capital and liquidity requirements (including stress testing) and adequacy of its non-financial reporting controls.</li><li>• The Committee will provide oversight on the risk management approach set out in the Group's Risk Management Framework, having regard to the Group's strategic priorities, purpose and culture in doing so. It will provide advice, oversight and challenge on the effectiveness of the framework in supporting informed and controlled risk taking within the stated risk appetite.</li></ul>
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## Membership & Attendance

<b>2. Chair</b>	<ul style="list-style-type: none"><li>• The Chair shall be appointed by the Board on recommendation of the Nomination Committee.</li><li>• In the absence of the Chair, the members shall elect one of themselves to be the Chair for the meeting.</li></ul>
<b>3. Members &amp; Attendees</b>	<ul style="list-style-type: none"><li>• Committee members appointed by the Board on the recommendation of the Nomination Committee.</li><li>• At least three members comprising of Independent Non-Executive Directors of the Board (INEDs).</li><li>• Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of Committee members remain independent.</li><li>• Only Committee members have the right to attend meetings.</li><li>• Others may attend by invitation, including but not limited to:<ol style="list-style-type: none"><li>1. Group Chief Executive Officer;</li><li>2. Group Chief Financial Officer;</li><li>3. Group Chief Risk Officer; and</li><li>4. Members of Management and any advisers appointed by the Committee.</li></ol></li></ul>
<b>4. Committee Secretary</b>	<ul style="list-style-type: none"><li>• Group Company Secretary or a nominee.</li></ul>

## Meeting Management & Governance

<b>5. Frequency &amp; Format</b>	<ul style="list-style-type: none"><li>• The Committee shall meet at least four times annually and ad hoc as required at the request of the Committee Chair or two members.</li></ul>
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	<ul style="list-style-type: none"> <li>• Notice of each meeting confirming the venue, time, and date together with an agenda of items and supporting papers to be discussed, should be forwarded to the Board and any other person required to attend at least five days before the meeting (unless otherwise agreed, in which case the number of days should not be less than three).</li> <li>• Members should attend in person (where possible), or via video conferencing or telephone. If required, matters may be approved by written resolution or electronically.</li> <li>• The Secretary will minute the proceedings and resolutions of all Committee meetings. Once approved by the Chair, minutes to be circulated promptly to members.</li> </ul>
<b>6. Quorum</b>	<ul style="list-style-type: none"> <li>• Two members shall constitute a quorum.</li> </ul>
<b>7. Conflicts of Interest</b>	<ul style="list-style-type: none"> <li>• Members of the Committee shall declare any conflicts of interest prior to participating in meetings and any such conflicts to be declared and noted in the Committee minutes.</li> </ul>
<b>8. Independent Advice</b>	<ul style="list-style-type: none"> <li>• In addition to having access to the services of the Group Company Secretary and external advisors of PGH, Directors may seek independent advice in connection with their duties at the expense the Company and invite those persons to attend meetings of the Committee.</li> </ul>
<b>9. Delegation of Authority</b>	<ul style="list-style-type: none"> <li>• The Committee is authorised by the Board to undertake any activity within its terms of reference and seek any information from any employee or subsidiary company as and when required.</li> </ul>

## Duties & Responsibilities

### 10. The duties and responsibilities of the Committee are as follows:

#### Risk Management Strategy and Framework

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| 10.1 | Approve the Group's overall risk management strategy.  |
| 10.2 | Review, monitor and at least annually assess the effectiveness of the Risk Management Framework, including the Internal Controls Framework ('ICF') that covers all material financial, operational and compliance controls. This should include the design of those controls, regularly considering any material weaknesses found within the Risk Management Framework or the ICF. |
| 10.3 | 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.   |
| 10.4 | Review and approve material changes to the Group's principal risk policies. Where certain policies are delegated elsewhere, satisfy itself that these responsibilities are being discharged.   |
| 10.5 | Approve and monitor progress against the mandate for the risk function, including the principal activities and resources.  |

#### Risk Appetite

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| 10.6 | Consider and recommend to the Board for approval the Group's risk appetite framework and limits.   |
| 10.7 | Provide oversight over any breaches of risk appetite and rectification plans.  |
| 10.8 | Delegate certain risk acceptance for the non-delivery of corrective actions below a certain threshold to management. Such delegation to be submitted to the Committee for approval annually. |

#### Risk Profile

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| 10.9 | Review the Group's current and forward-looking risk profile and monitoring against the Group's risk universe including performance vs the Group's risk appetite, risk concentrations and Key Performance Indicators ('KPIs'). |
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## 10. The duties and responsibilities of the Committee are as follows:

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| 10.10 | Undertake horizon scanning and oversee the management of all material emerging risks to the Group.  |
| 10.11 | Receive reports on any material matters referred by subsidiaries of the Group as required.  |
| 10.12 | Consider risks, issues and matters that are escalated from the Life Companies Board Risk Committee, Model Governance Committee and Life Companies Board Investment Committee to ensure adequate coverage of the Group's significant business risks. |

### Financial and Strategic Risk

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| 10.13 | Oversee the content and results of the Group's stress and scenario testing programme, including Reverse Stress Testing.  |
| 10.14 | Oversee the identification, assessment management and reporting of risks relating to asset management including those relating to new asset classes.   |
| 10.15 | Evaluate the Company's principal risks, to be taken into account by the Board when assessing the Company's position and prospects.   |
| 10.16 | Review, challenge and recommend the Final and Interim Dividend to the Board for APPROVAL.  |
| 10.17 | Review, challenge and recommend for APPROVAL by the Board the Group's Business Plan and provide a view to the Board on whether the Business Plan is realistic, within appetite and whether all material risks have been identified and appropriately considered. |
| 10.18 | Review, challenge and recommend for APPROVAL by the Board the Group's Own Risk and Solvency Assessment ('ORSA').   |
| 10.19 | Approve the Group's Recovery Plan and Resolution Plan.   |
| 10.20 | Provide oversight and challenge of due diligence relating to material transactions and strategic proposals, ensuring the potential consequences of any such transactions are appropriately considered, including integration risks.                              |

### Collaboration with the Board and Board Committees

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| 10.21 | Assist the Board in reviewing the appropriateness of the Group's risk culture and the extent to which the risk culture is embedded at all levels of the Group.                                    |
| 10.22 | Consult with the Board Remuneration Committee to support their consideration of the previous year's Annual Incentive Plan rewards.  |
| 10.23 | Engage with the Board Audit and Sustainability Committees at least bi-annually to drive a consistent approach to Sustainability Reporting, having particular focus on climate risk and reporting. |

### Governance, Reporting and Other Procedures

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| 10.24 | APPROVE the appointment, resignation or dismissal of the Group Chief Risk Officer.  |
| 10.25 | Recommend to the Board for APPROVAL the Risk Committee Report (annual report of the Committee's duties and activities), which forms part of the Group's Annual Report and Accounts. |
| 10.26 | Recommend to the Board for APPROVAL the Risk Management section of the Annual Report and Accounts.  |
| 10.27 | Review at least annually the Committee's Terms of Reference and recommend to the Board for APPROVAL as necessary.   |

## 10. The duties and responsibilities of the Committee are as follows:

10.28	Produce an annual report on the activities of the Committee against the Terms of Reference and all applicable laws, guidance and regulations of any market on which the Company's securities operate and are listed must be included.
10.29	Oversee any investigation of activities that are within the Terms of Reference.
10.30	Members shall undertake a review of the Committee's performance as part of the annual Board Evaluation process.
10.31	Delegate any of its powers to one or more of its members or the secretary of the Committee.
10.32	Have access to the Company Secretariat on all Committee matters.
10.33	Consider any other matters as may be requested by the Board.
10.34	The Committee Chair should report to the Board matters reviewed and make the appropriate recommendations.

## Defined Terms

<b>Board of Directors or Board</b>	Board of Directors of the Company
<b>Committee</b>	Risk Committee
<b>Company</b>	Phoenix Group Holdings plc
<b>Group</b>	Phoenix Group Holdings plc and its subsidiaries
<b>INED</b>	Independent Non-Executive Director
<b>KPIs</b>	Key Performance Indicators
<b>Life Companies</b>	Phoenix Life CA Limited, Phoenix Life Limited, ReAssure Life Limited, ReAssure Limited and Standard Life Assurance Limited.
<b>ORSA</b>	Own Risk and Solvency Assessment
<b>PGH</b>	Phoenix Group Holdings plc
<b>SID</b>	Senior Independent Director