

Risk Committee of Spring Plc (the “Committee”)
Terms of Reference
(adopted by the Board 24 January 2024)

Membership

All members of the Committee shall be independent non-executive Directors of the Company. The Committee shall consist of not less than three members. A quorum shall be two members. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Committee.

At least one member of the Committee should have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy and members as a whole shall have relevant risk expertise. The Committee as a whole shall have competence relevant to the sector in which the Company operates.

The Board shall appoint the Chairman of the Committee from amongst the independent non-executive directors. In the absence of the Chairman of the Committee and / or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board should not chair the Committee but can be a member if they were independent on appointment.

Secretary

The secretary of the Company shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

Attendance at Meetings

No one other than the Committee members shall be entitled to attend meetings of the Committee.

However, the Chief Financial Officer and Chief Compliance Officer shall be expected to attend meetings of the Committee on a regular basis and any other individuals may be invited to attend all or part of any meeting as and when appropriate.

Frequency of Meetings

The Committee shall meet at least three times per annum. Ad-hoc meetings will be scheduled as required to consider new appointments should this be required.

Notice of Meetings

Meetings shall be convened by the secretary of the Committee at the request of any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

Annual General Meeting and Shareholder Engagement

The Committee Chairman should attend the annual general meeting to answer shareholder questions on the Committee's activities. In addition, the Chairman of the Committee may seek engagement with shareholders on significant matters related to the Committee's area of responsibility.

Authority

The Committee is authorised by the Board to:

- request the attendance of any employee at a meeting of the Committee and / or seek any information it requires from any employee of the Company in order to perform its duties;
- delegate any matter or matters to another committee or person(s) as it deems appropriate;
- obtain outside legal or independent professional advice, at the Company's expense, on any matter within its terms of reference and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Duties and Responsibilities

The Committee should have oversight of the group as a whole and, unless required otherwise by regulation, carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

Risk Appetite, Tolerance and Strategy:

- in collaboration with the Audit Committee, review the Company's internal financial controls and internal control and risk management systems.
- set and monitor the Company's risk appetite, tolerance and strategy;
- carry out a robust assessment of the Company's emerging and principal risks that it is willing to take in order to achieve its long-term strategic objectives;
- seek assurance on the risks the Company identifies as those to which the business may be exposed;
- report to the Board, with input from the Audit Committee as appropriate, on its assessment, including; a description of its principal risks; the likelihood and impact of principal risks materialising; and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact; and
- advise the Board on the risk aspects of proposed changes to strategy and strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on implications for the risk appetite, tolerance and strategy of the Company, and taking independent external advice where appropriate and available.

Compliance, Speaking-up and Fraud

- in collaboration with the Audit Committee, review the adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- review the Company's procedures for detecting fraud;
- investigate and address any reports of evidence of breaches of fiduciary duties;
- review the Company's systems and controls for the prevention of bribery and receive reports on noncompliance;
- review regular reports from the Money Laundering Reporting Officer and the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and
- review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function.

Narrative Reporting

- in collaboration with the Audit Committee, monitor and review the effectiveness of the Company's internal control systems and risk management;

- review the Company's key policies and procedures for identifying and assessing both financial and non-financial business risks (including compliance, fraud detection and whistleblowing arrangements), the management or mitigation of these risks (including quality, ethics and independence) along with an assessment of their robustness, appropriateness and effectiveness;
- to assist in the Board's assessment of principal and emerging risks;
- review and assess the Company's risk appetite and associated stress testing;
- evaluate the Company's principal risks to be taken into account by the Board when assessing the Company's prospects; and
- in collaboration with the Audit Committee, review and approve the statements to be included in the annual report concerning internal controls & risk management.

Internal Controls and Risk Management Systems

The Committee shall oversee and seek suitable assurance regarding:

- the risk exposure of the Company, including risk to the Company's business model and solvency and liquidity risks;
- the adequacy and effectiveness of the Company's processes and procedures to manage risk and the internal control framework, including the design, implementation and effectiveness of those systems;
- the ability of the Company's risk management and internal control systems to identify the risks facing the Company and enable a robust assessment of principal risks;
- the Company's capability to identify and manage new and emerging risks;
- the effectiveness and relative costs and benefit of particular controls;
- the effectiveness of management's processes for monitoring and reviewing the effectiveness of risk management and internal control systems and ensuring corrective action is taken when necessary;
- the Company's ability to reduce the likelihood of principal risks materializing and the impact on the business of risks that do materialize;
- the appropriateness of the Company's values and culture and reward systems for management risk and internal controls, and the extent to which the culture and values are embedded at all levels of the Company; and
- the Chief Financial Officer's and the Chief Compliance Officers direct access the Chairman of the Board and to the Committee.

Reporting

The Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged the same.

The Committee shall provide advice to the Remuneration Committee on any risk weighting to be applied to performance objectives incorporated in the incentive structure for executive remuneration and make recommendations to the Remuneration Committee on clawback provisions.

The Committee shall further make whatever recommendations to the Board that it deems appropriate on any area within its remit where action or improvement is needed.

The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

Draft minutes of Committee meetings shall be circulated to all members of the Committee and, once approved, to all members of the Board no later than two weeks following the date of the meeting unless, exceptionally, it would be inappropriate to do so.

Other Matters

The Committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required;
- 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;
- give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirement of the FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;
- oversee any investigation of activities which are written in its terms of reference; and
- work and liaise as necessary with all other board committee and ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal control on the work of other committees.

Annual Review

The Committee shall annually review its terms of reference to ensure it is operating at maximum effectiveness and recommend to the Board any changes for approval.