

## RISK COMMITTEE TERMS OF REFERENCE

### 1. Constitution

- 1.1. The Risk Committee (the Committee) was constituted as a committee of the Board of directors (the Board) of Pollen Street Group Limited (Company) at a full meeting of the Board held on 8 December 2023 in accordance with the articles of association of the Company.
- 1.2. The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3. The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the company secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.

### 2. Status

- 2.1. These terms of reference were adopted by the Board and the Committee on 10 December 2024.

### 3. Membership

- 3.1. 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 Chair of the Committee.
- 3.2. 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.
- 3.3. The Board shall appoint the Chair of the Committee from amongst the independent non-executive directors. In the absence of the Chair 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.
- 3.4. The chair of the Board shall not be a Committee member, but may be invited to attend its meetings. The chair of the Board shall not chair the Committee.

### 4. Secretary

- 4.1. 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.

### 5. Attendance at Meetings

- 5.1. No one other than the Committee members shall be entitled to attend meetings of the Committee.
- 5.2. 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.

### 6. Frequency of Meetings

- 6.1. 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.

## **7. Notice of Meetings**

- 7.1. Meetings shall be convened by the secretary of the Committee at the request of any of its members.
- 7.2. 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.

## **8. Minutes of Meeting**

- 8.1. The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 8.2. Draft minutes of Committee meetings shall be circulated to all members of the Committee and, once approved, to all members of the Board unless, exceptionally, it would be inappropriate to do so.

## **9. Voting**

- 9.1. Each Committee member shall have one vote which may be cast on matters considered at the meeting. Questions arising at any meeting shall be determined by a majority vote. Votes can only be cast by members attending a Committee meeting whether in person or by audio or video conference.
- 9.2. Subject to the provisions of the Companies (Guernsey) Law 2008 (Companies Law), and provided that they have disclosed to the other directors in accordance with the Companies Law the nature and extent of any material interest of his, a director notwithstanding their office may be counted in the quorum present at any meeting in relation to any resolution in respect of which they have declared an interest and they may vote thereon.
- 9.3. In the event of an equality of votes, except where he or she has a personal interest, the Committee Chair shall have a casting vote.
- 9.4. The Committee chair may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

## **10. Annual General Meeting and Shareholder Engagement**

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

## **11. Authority**

- 11.1. The Committee is authorised by the Board to:
  - 11.1.1. 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;
  - 11.1.2. delegate any matter or matters to another committee or person(s) as it deems appropriate;
  - 11.1.3. 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.

## **12. Role**

- 12.1. The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring, subject to overlap with the audit committee:

- 12.1.1. the Company's attitude to and appetite for risk and its future risk strategy.
- 12.1.2. the Company's risk management and internal control framework and ensuring it aligns with the Company's strategic objectives..
- 12.1.3. how risk is reported both internally and externally.
- 12.1.4. the processes for compliance with laws, regulations and ethical codes of practice and prevention of fraud.

### **13. 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.

#### 13.1. General Risk Management Appetite, Tolerance and Strategy:

- 13.1.1. in collaboration with the Audit Committee, review the Company's internal financial controls and internal control and risk management systems.
- 13.1.2. set and monitor the Company's risk appetite, tolerance and strategy;
- 13.1.3. annually carry out a robust assessment of the Company's emerging and principal risks that the Company is willing to take in order to achieve its long-term strategic objectives;
- 13.1.4. seek assurance on the risks the Company identifies as those to which the business may be exposed;
- 13.1.5. oversee the current and prospective risks faced by the Company and its strategy in relation to future risks and annually consider how the remuneration of executives shapes their view of risk;
- 13.1.6. review the methodology for reporting risk to the Board, including both quantitative and qualitative measures.
- 13.1.7. set triggers for reporting and escalation of significant emerging risks which may be critical to the Company and assess the Company's ability to manage new risks.
- 13.1.8. ensure the risk management function is properly resourced, with adequate information rights and sufficient independence such that it is free from management interference.
- 13.1.9. 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
- 13.1.10. 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.

#### 13.2. Compliance, Speaking-up and Fraud

- 13.2.1. 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;
- 13.2.2. review the Company's procedures for detecting fraud;
- 13.2.3. investigate and address any reports of evidence of breaches of fiduciary duties;
- 13.2.4. review the Company's systems and controls for ethical behaviour and the prevention of bribery and modern slavery and receive reports on noncompliance;
- 13.2.5. 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
- 13.2.6. review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Company's compliance function.

#### 13.3. Narrative Reporting

- 13.3.1. in collaboration with the Audit Committee, continuously monitor and review the effectiveness of the Company's internal control systems and overall risk management framework and processes and ensure corrective action is taken where necessary to address reported issues.
- 13.3.2. 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;
- 13.3.3. assist in the Board's assessment of principal and emerging risks and ensure that risk management is properly considered in Board decisions;
- 13.3.4. review and assess the Company's risk appetite and associated stress testing;
- 13.3.5. evaluate and provide advice on the Company's position and principal risks to be taken into account by the Board when assessing the Company's prospects; and
- 13.3.6. in collaboration with the Audit Committee, review and approve the statements to be included in the annual report concerning internal controls & risk management, ensuring it is consistent with the internal reporting of key risks.

#### 13.4. Internal Controls and Risk Management Systems

The Committee shall review the assurance reports on the effectiveness of the internal control and risk management systems and the Committee shall oversee and seek suitable assurance regarding:

- 13.4.1. the risk exposure of the Company, including risk to the Company's business model, future performance, solvency or liquidity and reputation;
- 13.4.2. 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;
- 13.4.3. 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;
- 13.4.4. the Company's capability to identify and manage new and identifying emerging risks or mitigating principal risks;
- 13.4.5. the effectiveness and relative costs and benefit of particular controls;
- 13.4.6. 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;
- 13.4.7. the Company's ability to reduce the likelihood of principal risks materializing and the impact on the business of risks that do materialise;
- 13.4.8. 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
- 13.4.9. the Chief Financial Officer's and the Chief Compliance Officers direct access the Chair of the Board and to the Committee.

#### 14. Working with other Committees and Auditors

- 14.1. Through the secretary, work with all other committees of the Board where their work has risk management implications.
- 14.2. Specifically, consider the risks inherent in targets and criteria set for remuneration of the [chief executive and other members of the executive OR executive] in terms of potential impact on the long-term viability of the Company and potential for reputational damage. Where appropriate, provide direct advice to the remuneration committee on any risk weightings that are to be applied to performance objectives in relation to executive remuneration and make recommendations to the remuneration committee on clawback provisions.
- 14.3. Review the reports of internal and external auditors that have implications for risk management and internal controls.

## 15. Chief Risk Officer

- 15.1. Review all reports from the chief risk officer (CRO) and monitor the response of the executive management to all the CRO's findings and recommendations.
- 15.2. Ensure that the CRO is given all information rights necessary to fulfil the role, as well as free access to the chair of the Committee and the chair of the Board.

## 16. Reporting

- 16.1. 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.
- 16.2. 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.
- 16.3. 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.
- 16.4. For the Annual Report:
  - 16.4.1. Prepare a formal report to shareholders on its activities to be included in the Company's annual report, which shall include:
    - i. A summary of the role and work of the Committee
    - ii. The significant issues that the Committee considered and how these have been addressed.
    - iii. Confirmation that the Board has carried out a robust assessment of the emerging and principal risks facing the Company, a description of those risks, what procedures are in place to identify emerging risks and an explanation as to how they are being managed and mitigated.
    - iv. All other information requirements set out in the UK Corporate Governance Code.
    - v. Any other issues on which the Board has requested the Committee's opinion.
  - 16.4.2. The Committee shall review and approve the disclosures and statements in the annual report and accounts relating to risk management and internal control and the viability statement.
  - 16.4.3. The Committee Ensure that relevant disclosures are given in the directors' report as to the Company's risk management and strategy in relation to financial instruments.

## 17. Other Matters

The Committee shall:

- 17.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required;
- 17.2. 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;
- 17.3. 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;
- 17.4. oversee any investigation of activities which are written in its terms of reference; and

17.5. 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.

#### **18. Annual Review**

18.1. 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.