

# Beazley plc

## Risk Committee

### Terms of reference

Approved by board resolution dated 29 November 2023

#### 1. Objectives

To provide oversight of the Beazley group's risk management framework and processes for monitoring compliance with laws and regulation.

#### 2. Members

2.1 The risk committee shall comprise not less than three independent non-executive directors who, together with the committee chair, shall be appointed by the board on the recommendation of the nomination committee. All members of the committee shall be independent non-executive directors, and the committee as a whole shall have competence relevant to the sector in which the company operates. The chair of the board shall not be a member of the committee. Where possible, the committee shall include one member of the remuneration committee.

Other individuals will be required to attend when requested by the risk committee. The committee may request other directors, management, staff or external advisors to attend committee meetings for the purpose of informing or assisting the committee in the discharge of its duties. These will normally include:

- the chief executive officer, the group finance director, the chief risk officer and the head of internal audit;
- selected executive management representing Beazley's business operations; and
- representation from the compliance function.

2.2 The board shall appoint the committee chair. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect a non-executive member to chair the meeting.

#### 3. Secretary

The company secretary or their nominee shall act as the secretary of the committee.

#### 4. Quorum

A quorum of the committee shall be two.

#### 5. Frequency of meetings

5.1 Meetings shall be aligned with those of the board, and occur at such a time before a board meeting so that all business can be properly and fully conducted and referrals and minutes passed to the board in line with the requirements of the board.



5.2 The committee shall meet at least quarterly or at any time if requested to the chair by any committee member.

## **6. Notice of meetings**

6.1 Meetings of the committee shall be summoned by the secretary of the committee at the request of the chair of the committee or at the request of the chief risk officer if they consider it necessary.

## **7. Minutes of meetings**

7.1 Minutes of committee meetings shall be circulated promptly to members of the committee and the chair of the board and made available to the board if appropriate.

## **8. Annual General Meeting**

8.1 The chair of the committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the committee's activities.

## **9. Duties**

### 9.1 Internal control and risk management systems

The committee shall:

9.1.1 Review the company's internal control and risk management systems, including the effectiveness of material operational, reporting and compliance controls.

9.1.2 Advise the board on the company's risk management framework, which includes the risk management objectives, risk appetite, risk culture and the assignment of risk management responsibilities in relation to the risk categories detailed in the risk register.

9.1.3 Review risk reports and management information to enable a clear understanding of the key risks and controls in the business that inform the board's decision making, ensuring both qualitative and quantitative metrics are used.

9.1.4 Review any breaches of risk appetite and the adequacy of proposed actions. Review entries on the company's risk and events log and the adequacy of proposed actions.

9.1.5 Review the identification of future risks, including considering emerging trends and future risk strategy.

9.1.6 Review and monitor management's responsiveness to the findings and recommendations of the chief risk officer.

9.1.7 Review the remit and consider the performance of the risk management function to ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively.

9.1.8 Review and approve the statements to be included in the annual report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement.

9.1.9 The committee shall oversee and seek suitable assurance regarding the chief risk officer's right of direct access to the chair of the board and to the committee.

9.1.10 Review and recommend to the board the own risk and solvency assessment (ORSA) report.

## 9.2 Compliance and second line assurance

The committee shall:

9.2.1 Review the company's procedures for detecting and preventing fraud.

9.2.2 Review the company's systems and controls for the prevention of bribery and receive reports on non-compliance.

9.2.3 Review regular reports from the Money Laundering Reporting Officer and the adequacy and effectiveness of the company's anti-money laundering systems and controls.

9.2.4 Review the regular reports from the compliance officer and keep under review the adequacy and effectiveness of the group's compliance function.

## 9.3 Assurance

The committee shall:

9.3.1 Provide assurance to the board in relation to group-wide transformational projects.

## **10. Reporting responsibilities**

10.1 The committee chair or their nominee will report formally to the board following all committee meetings, at least quarterly at all scheduled board meetings, and at such other times as necessary.

10.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The committee shall report to the board on how it has discharged its responsibilities.

10.4 The committee shall compile a report on its activities to be included in the company's annual report.

## **11. Other matters**

The committee shall:



- 11.1 Have access to sufficient resources in order to carry out its duties and seek any information it requires from any employee of Beazley in order to perform its duties.
- 11.2 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.
- 11.3 Give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.
- 11.4 Oversee any investigation of activities which are within its terms of reference.
- 11.5 Work and liaise as necessary with all other board committees and with the risk committees of the regulated subsidiaries.
- 11.6 Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board.
- 11.7 Ensure that risk committee meetings are used as an open avenue of communication between risk management and the board.
- 11.8 The committee will receive reports from the risk committees of the regulated subsidiaries.
- 11.9 The minutes for each risk committee meeting shall be made available by the company secretary to the whole board.

The chair shall:

- 11.10 Be available to shareholders to discuss significant matters within the committee's remit.

## **12. Authority**

The committee is authorised by the board to:

- 12.1 Seek any information it requires from any employee of Beazley in order to perform its duties.
- 12.2 Obtain legal or other independent professional advice or assistance from external advisors with relevant expertise and experience, as it considers necessary, at the company's expense.
- 12.3 Call any employee to be questioned at a meeting of the committee as and when required.
- 12.4 Have the right to publish in the company's annual report, details of any issues that cannot be resolved between the committee and the board.