



BOARD RISK COMMITTEE CHARTER



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CENTUM INVESTMENT COMPANY PLC

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CENTUM INVESTMENT COMPANY PLC (THE "COMPANY")
RISK COMMITTEE (THE "COMMITTEE")
CHARTER

1 CONSTITUTION

The Risk Committee is established by the Board of directors of the Company (the "Board") as an independent committee reporting to the Board.

2 COMPOSITION AND MEMBERSHIP

- 2.1 The Committee shall be made up of at least four (4) members, majority of whom shall be non-executive directors, with the Chief Executive Office, the Head of Risk, the Head of Tax and the Company Secretary in attendance.
- 2.2 The Chairperson of the Committee (the "Chairperson") shall be appointed by the Board and shall be a non-executive director. The Chairperson of the Board shall not be the Chairperson of the Committee.
- 2.3 The Board shall have the power at any time to remove any member from the Committee and fill any vacancies created by such removal.
- 2.4 The Company Secretary or a representative appointed by the Company Secretary shall be the secretary of the Committee.

3 SCOPE AND AUTHORITY

The Committee shall assist the Board in the discharge of its duties relating to corporate accountability and associated risks in terms of management, assurance and reporting for the Company and major subsidiary undertakings that do not have individual risk committees.

The Committee shall also have the responsibility of reviewing the risk management strategy and policies recommended by the Company and consider reports by the risk and compliance function. The Committee shall ensure compliance with such policies and offer guidance relating to significant issues that require, or are subject to, remedial action or recommendation arising from the deliberation of the communication regarding internal risk policy, standards and agreed risk limits.

More particularly, the Committee shall have the following responsibilities, in addition to other relevant matters referred to it by the Board or as may be required by applicable laws and regulations:

3.1 Risk Management Framework.

The Committee shall approve and periodically review the Company's risk management framework, which outlines the Company's overarching approach to risk management and the policies, practices, and governance structures used by management to execute its risk management program and corporate risk strategy including those relating to the following:

- 3.1.1 Maintaining a strong risk culture and the independence and stature of corporate risk.
- 3.1.2 Defining risk roles and responsibilities across the Company.
- 3.1.3 Establishing protocols and processes for issue escalation and reporting.
- 3.1.4 Facilitating appropriate credible challenge of business decisions.
- 3.1.5 Providing for the recruitment, development, retention, and succession planning of risk talent.

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- 3.1.6 Informing the Board of the status of risk exposures and risk management processes in the Company to assist the Board to meet its fiduciary obligations in ensuring that the Company operates in a safe and sound manner, and in accordance with the regulations and policies of the Company's regulators.

3.2 Oversight of the Risk and Compliance Function

- 3.2.1 The Committee shall oversee and receive reports on the operation of the Company's enterprise-wide risk management framework and the Risk and Compliance Function, including budget and staffing levels.
- 3.2.2 The Risk and Compliance function shall report functionally to the Committee and administratively to the Chief Executive Officer.
- 3.2.3 The Committee shall be consulted on the appointment and replacement of the Head of Risk and Compliance.
- 3.2.4 The Committee shall set out the nature, role, responsibility and authority of the Risk and Compliance function within the Company and validate the scope of risk management workplan.

3.3 Risk Coverage Statement and Risk Profile

- 3.3.1 The Committee shall review and discuss the Company's risk coverage statement, which defines the key risk types facing the Company.
- 3.3.2 The Committee also shall review and discuss management's assessment of the Company's aggregate enterprise-wide risk profile, as well as the alignment of the risk profile with the Company's strategic plan, goals, objectives, and risk appetite.

3.4 Risk Appetite

- 3.4.1 The Committee shall review and recommend to the Board the articulation and establishment of the Company's risk appetite, and shall approve amendments to the Company's statement of risk appetite, as appropriate.
- 3.4.2 The Committee shall receive reports from management and, if appropriate, other Board committees, regarding the Company's adherence to risk limits and its established risk appetite (including related to key risk types and cross-functional risk areas).
- 3.4.3 The Committee shall comprehensively assess the Company's risk factors and review and discuss risk appetite, tolerance levels and metrics taking into consideration the strength of the Company's capital, adequacy of retained earnings, and overall quality of risk management, measurement and reporting systems.

3.5 Risk Framework and Policies

- 3.5.1 Ensure that the Company has in place at all times a Risk Management & Compliance Framework that addresses the Company's exposure to all risks and conforms to regulatory requirements and risk management best practices.
- 3.5.2 The Committee shall approve and periodically review the functional framework and oversight policies established by management for the key risk types identified in the Company's risk coverage statement. The functional framework and oversight policies, which outline the structures, practices, policies, systems, reports, processes, and roles and responsibilities for managing those key risks may, in some cases, be reviewed and approved by another Board committee primarily responsible for the oversight of the specific risk type, and shall be recommended by such other Board committee for approval by the Risk Committee.

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- 3.5.3 The Committee retains the right to request updates or changes to any such framework and oversight policies, or other risk policies reviewed and approved by the Board's other committees, based on the Committee's assessment of enterprise-wide risk exposures and other matters it deems appropriate.
- 3.5.4 The Committee shall approve any other policies or activities it deems appropriate or are required to be approved by the Committee by applicable law or regulation.
- 3.5.5 Review and assess the integrity and adequacy of the risk control systems ensuring that the risk policies and strategies are adhered to.
- 3.5.6 Review and approve the Company's Disaster Recovery and Business Continuity Plan.
- 3.5.7 Review the effectiveness of an internal system of controls that is reasonably designed to evaluate and control risk throughout the Company.

3.6 Oversight of Enterprise Conduct Risk and Risk Culture

- 3.6.1 The Committee shall oversee enterprise conduct risk, including the activities of the Company's enterprise conduct risk management office, and risk culture.
- 3.6.2 Foster the establishment and maintenance of an effective risk management culture throughout the Company.
- 3.6.3 Review and assess the Company's risk culture.

3.7 Liquidity and Funding Risks; Capital Adequacy

- 3.7.1 The Committee shall oversee the Company's liquidity and funding risks, and shall review and approve, or recommend to the Board approval of, the Company's liquidity risk management strategies, policies, and procedures, which include the Company's contingency funding plan.
- 3.7.2 The Committee shall receive reports and discuss the Company's liquidity risk profile at least quarterly.
- 3.7.3 The Committee shall receive reports and discuss periodically the Company's capital adequacy and planning activities in relation to the Company's risk profile.

3.8 Acquisitions and Strategic Initiatives

The Committee shall discuss and make such inquiry of management regarding risks that may be associated with the Company's acquisition activities or significant new business or strategic initiatives as it may deem appropriate.

3.9 Emerging Risks and Other Risk Issues

- 3.9.1 The Committee shall receive regular reports from the Head of Risk and Compliance and other members of management regarding emerging risks and other selected risk topics and/or enterprise-wide risk issues, including model risk.
- 3.9.2 Review and analyze current and unanticipated future risks trends and critically assess the Company's business strategies and plans from a risk perspective.
- 3.9.3 Monitor external developments relating to the practice of corporate accountability and sustainability and the reporting of specifically associated risk including emerging and prospective risks and their impact.
- 3.9.4 The Committee may request that the Board and/or another committee of the Board review, discuss and assume oversight responsibility for any newly identified risk issues.

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3.10 Assessment of Risk Program

The Committee shall review and receive regular reports from the Head of Risk and Compliance and other members of management regarding management's assessment of the effectiveness of the Company's enterprise-wide risk program, including corrective actions taken by management to address risk issues and the implementation of risk management enhancements.

3.11 Compliance

- 3.11.1 Monitor the Company's compliance program, including compliance with all applicable laws, rules and regulations.
- 3.11.2 Oversee the development and execution of a plan to remedy all compliance deficiencies identified by the Company to ensure ongoing compliance with applicable legal and regulatory requirements.
- 3.11.3 Provide independent and objective review of the information presented by the Risk and Compliance function.

4 RISKS COVERED

In discharging its duties, the Committee shall cover risks in a wide sense, including market risk, credit risk, liquidity risk; operation risk and commercial risk, which together cover detailed combined risks such as interest rate risk, country risk, counterparty risk (including provisioning risks), currency and foreign exchange risk, technology risk, price risk, disaster recovery risk, operational risk, prudential risk, reputational risk, competitive risk, legal risk, tax risk, compliance and control risks, sensitivity risks (e.g. environmental, health and safety), concentration of risks across a number of portfolio dimensions, investment risk, human Resource risk and any other risks that may affect the Group.

5 INFORMATION TECHNOLOGY GOVERNANCE

The Committee shall oversee and advise the Board on the Company's overall information technology governance system and in particular:

- 5.1.1 Consider the adequacy and effectiveness of the technology infrastructure supporting the risk management framework;
 - 5.1.2 review the Company's information technology processes that govern the Company's operations;
 - 5.1.3 review and approve the policies with relation to information technology;
 - 5.1.4 review the Company's ability to identify and manage new risk types with relation to information technology; and
- 5.2 Consider other relevant matters referred to it by the Board.

6 MEETINGS

- 6.1 Meetings of the Committee will be held as frequently as the Committee considers appropriate, but it will normally meet not less than three times a year.
- 6.2 The Chairperson or any member of the Committee may call further special meetings.

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- 6.3 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee, Chairperson, the chief executive, the head of tax and the head of risk to make proposals as necessary.
- 6.4 The Chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

7 QUORUM

- 7.1 The quorum for meetings of the Committee shall be any three members of the Committee present throughout the meeting of the Committee.
- 7.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 7.3 The head of risk and head of tax shall attend meetings of the Committee and shall have unrestricted access to the Chairperson or any other member of the Committee as is required in relation to any matter falling within the remit of the Committee.
- 7.4 The Chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

8 VOTING

- 8.1 Where the Chairperson calls upon Members to vote on any issue, decisions will be by way of simple majority.
- 8.2 In the event of a tie, the Chairperson shall exercise a casting vote to determine the outcome.
- 8.3 Only Committee Members shall be entitled to vote at meetings of the Committee.

9 PROCEEDINGS OF THE COMMITTEE

- 9.1 Unless varied by this Charter, meetings and proceedings of the Committee shall be governed by the Company's articles of association and applicable laws and regulations regulating the meetings and proceedings of the Board and committees.
- 9.2 The Company Secretary or a representative appointed the Company Secretary shall take minutes of meetings. These shall be reviewed and approved by the members of the Committee at a subsequent meeting.
- 9.3 The minutes of all meetings of Committee, or summaries thereof, shall be submitted to the Board at a subsequent Board meeting. The Chairperson shall be entitled to an opportunity to report orally or in writing at any meeting of the Board on any matters of importance as well as on the Committee's findings and shall recommend actions.

10 AUTHORITY OF THE COMMITTEE

The Committee, in carrying out its tasks under this Charter:

- 10.1 Is authorized to investigate any activity within this Charter;
- 10.2 May, at the discretion of the Committee, require other employees of the Company to attend meetings or parts of meetings; and

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10.3 May consult with and seek any information it requires from any employees, and all employees shall be required to co-operate with any request made by the Committee in the course of its duties.

11 GENERAL

11.1 The Committee, in carrying out its tasks under this Charter, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

11.2 The Board shall ensure that the Committee will have access to professional advice both inside and outside the Company for it to adequately discharge its duties.

12 REVISION OF THE CHARTER

This Charter shall be subject to review by the Board at any time.

Approval By the Board of Directors

Signed:

Date: 24th November 2017.

Chairman: 