

TERMS of REFERENCE for HALIFAX SHARE DEALING LIMITED BOARD RISK COMMITTEE - 2020

RECEIVES DELEGATED AUTHORITY FROM AND REPORTS TO:

The Board of Halifax Share Dealing Limited (HSDL)

AUTHORITY TO DELEGATE FURTHER:

To the Executive Risk Committee of HSDL

TERMS OF REFERENCE AUTHORISED BY AND WHEN:

The Board of HSDL – 6 February 2020

CHAIR:

A Non-Executive Director, HSDL

COMMITTEE SECRETARY:

Paul Gittins

ANNUAL REVIEW DUE:

Q1 2021

FREQUENCY OF MEETING:

Quarterly

PURPOSE:

The Committee is an oversight body providing business-led governance and oversight and has authority to make decisions in relation to:

- Business risks in relation to HSDL
- Current material and/or emerging issues, including incremental operating exposures and conduct risks, such as from new products, new markets, new distribution channels (including internal and external suppliers)
- Changes in the regulatory and competitive landscape.

KEY RESPONSIBILITIES AND DECISIONS:

The Committee is responsible for the oversight of:

- The risk appetite, management and monitoring of the business
- The risk management framework of the business, including local policies and standards
- The assessment of current and emerging risks and issues, and related risk mitigation activity
- Compliance with Lloyds Banking Group's governance and risk requirements, including Group Policies and Standards, compliance with regulatory and legal obligations
- The review of assurance assignments and outcome testing findings
- Approval of new or revised outcome testing measures or plans and issues under management and rectifications

- The Chair is responsible for ensuring that a Terms of Reference is in place and is kept up to date.

MEMBERSHIP:

Members

- All Non Executive Directors, HSDL

Attendees

- Managing Director, HSDL
- Chief Risk Officer, HSDL
- Finance Director, HSDL
- Others as required

Decision Making

- Members provide collective oversight and support decision making.
- The Quorum required for any Committee meeting or for any decision of the Committee is any two members, one of whom must be the Chair.

INPUTS:

- Previous actions, with updates required to be provided verbally or via a specific agenda item
- Papers to support specific agenda items to be submitted to the secretary no later than two business days before the scheduled meeting
- Minutes from the HSDL Executive Risk Committee (for noting)
- Items escalated / for decision from the Executive Risk Committee
- MI and reports via the Executive Risk Committee, enabling effective oversight of all business risks
- Current material / emerging issues, including incremental exposures such as from new products, new markets, new distribution channels (including internal and external suppliers) and changes in the regulatory and competitive landscape
- Any other matters referred to the Committee by the Board of HSDL.

OUTPUTS (including escalation):

- Minutes and an Actions Log from the meetings, along with closure dates
- Submissions to the HSDL board as appropriate
- The Chair to report outputs to the HSDL board
- Members can request the Committee Secretary to note an objection to a decision recorded in the Minutes and have a right to escalate matters directly to the HSDL Board