

Risk Committee

Terms of Reference

Section 1: General

1. Role of the Committee	<ul style="list-style-type: none"> The broad remit of the Risk Committee is to assist the Governance Board (Board) in the effective discharge of its powers, duties, functions and responsibilities under the Partnership Agreement in relation to the Firm's risk management framework and risk appetite statement. The Committee is responsible for overseeing risk and risk-related activities of the Firm, except those that are the responsibility of the Board or have been delegated to other Board Committees.
2. Committee members	<p>As determined by the Board from time to time but including an Appointed Board member as Committee Chair.</p>
3. Key executive alignment	<p>Chief Risk & Ethics Officer Chief Risk Officer Chief Internal Auditor General Counsel</p> <p>The individuals holding the above roles have a standing invitation to attend Committee meetings, except where their attendance may present a conflict of interest.</p>
4. Delegation of Board's powers, duties, functions and responsibilities	<ul style="list-style-type: none"> By approving these Terms of Reference and in accordance with the Partnership Agreement, the Board delegates to the Committee, to exercise on its behalf, the powers, duties, functions and responsibilities specified in section 2 below. As specified in the Partnership Agreement, the Committee exercises the powers delegated in accordance with any directions of the Board and a power exercised by the Committee is deemed to have been exercised by the Board. The Board is responsible for the supervision of the exercise of powers, duties, functions and responsibilities delegated by the Board to the Committee.
5. Reporting back to Board	<ul style="list-style-type: none"> The Committee reports to the Board on the decisions made in exercising the Board's powers delegated to it, and where appropriate, makes recommendations to the Board on other matters within its remit. Minutes of the Committee's meetings are prepared and circulated to Board members. The minutes will clearly identify any exercise of power by the Committee under delegation.
6. Structure of the Committee	<ul style="list-style-type: none"> The composition, Chair and Terms of Reference of the Committee will be determined by the Board, on the recommendation of the Chair of the Board.
7. Proceedings of the Committee	<ul style="list-style-type: none"> The proceedings of the Committee will be conducted in accordance with the applicable requirements of the Partnership Agreement. Accordingly: <ul style="list-style-type: none"> the Committee will meet whenever the Committee determines it is appropriate. The Committee Chair will control the Committee's operating rhythm.

Section 1: General

	<ul style="list-style-type: none">– a quorum for a meeting is 2/3rds Committee members. A member present by way of proxy is included in the quorum.– the Committee may invite any person (including any external adviser) to attend its meeting/s and/or to provide written or verbal advice– minutes of Committee meetings are prepared and circulated first to the Chair and then to all other Committee members for review.• The Committee has unrestricted access to all staff and relevant records of the Firm it considers necessary to fulfill its obligations and has the right to seek explanations and additional information from Management.• At least annually the Committee shall meet separately with the Internal Auditor without Management present.
8. Decisions of the Committee	A resolution is passed if 2/3rds of members participating in the vote approve the resolution. Each Committee member is entitled to one vote.
9. Review	As part of the Board's annual performance assessment process, the Committee's performance and its terms of reference will be reviewed to ensure it is operating effectively. The Committee will recommend any changes to improve its performance to the Board, for approval.

Section 2: Powers, Duties, Functions and Responsibilities of the Committee

In order to assist the Board in overseeing risk, the Committee will undertake the following on which it will report and make recommendations to the Board as required:

10. Risk management and internal controls	<ul style="list-style-type: none">• Annually review, challenge and recommend for approval by the Board, the Firm's Risk Management Framework and Risk Appetite Statement recommended by the CSP, in accordance with the Partnership Agreement.• Oversee and review Management's implementation of the Firm's Risk Management Framework, in accordance with the Partnership Agreement, including whether it is operating within the Risk Appetite approved by the Board. <p>As part of undertaking the above, the Committee will:</p> <ul style="list-style-type: none">• Oversee and challenge the overall risk assessment and management of material risks.• Oversee and challenge the Firm's risk culture (values, beliefs, attitudes and understanding of risk) and the extent to which it supports the Firm's ability to operate within its risk appetite.• Oversee and challenge the Firm's processes and procedures in respect of its Ethics, Whistleblowing Policy, Speak Up and Code of Conduct, including any trends and material issues reported; and raise them with the Board and/or the Nominations & Public Interest Committee, as necessary.• Consider new and emerging risks and the risk controls and mitigation measures that Management has, or is proposing to put in place to address those risks.• Oversee Management's assessment of the adequacy of the Firm's internal controls.• Review any material incident resulting from a breakdown of the Firm's risk controls and the lessons learned.• Assess whether key risk related roles and responsibilities are appropriately defined by Management. <p>Consider the remit of all Firm risk functions and ensure they have adequate resources and appropriate access to information to enable them to perform their respective functions in first,</p>
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Section 2: Powers, Duties, Functions and Responsibilities of the Committee

	second, third lines of defence effectively. The Committee shall make enquiries to determine whether these functions have adequate independence as applicable and are free from inappropriate management or restrictions.
11. Internal Audit	<ul style="list-style-type: none"> • Review the Internal Auditor's reports on findings and recommendations on internal control systems and procedures and monitor Management's response to reviews and its implementation of agreed actions. • Review and approve the Internal Audit Charter and Internal Audit Plans. • Make enquiries of the Chief Internal Auditor to determine any scope or budget limitations that may impede the execution of the Internal Audit function's responsibilities. • Annually review the performance, objectivity and independence of the Internal Audit function. • Approve decisions regarding the appointment and removal of the Chief Internal Auditor. • For the purpose of supporting the independence of the Internal Audit function, the Chief Internal Auditor reports functionally to the Committee and administratively to the Chief Risk Officer.
12. Compliance	<ul style="list-style-type: none"> • Review and oversee the Firm's framework for identifying, monitoring and managing compliance with applicable laws, regulations and Network Standards. • Oversee compliance with Network Standards. • Review annually key processes, structure, monitoring and reporting activities in respect of the Firm's Compliance Management Framework. • Consider any material findings and recommendations from regulatory and Network reviews and monitor progress being made to address any remediation actions identified.
13. TPMs and litigation	<ul style="list-style-type: none"> • Oversee the conduct of TPMs and litigation and raise any material issues with the Board. • Recommend for Board determination that a litigation or regulatory investigation is Significant as defined in the Partnership Agreement. • Refer to the Board the settlement of any Significant litigation or Significant regulatory investigation.
14. Other areas	<ul style="list-style-type: none"> • Review the statements concerning risk management to be included in significant reports or statements published by the Firm, including its Annual Report. • Determine whether an entity is a major competitor of the firm, for the purpose of the definition of "Listed Firms" in the Partnership Agreement.
15. Reporting to the Committee	<ul style="list-style-type: none"> • In order to effectively oversee risk and discharge its powers, duties, functions and responsibilities under section 2, the Committee will receive and review reports from Management including from the CRO, Ethics Leader, OGC, Internal Audit and Business Units and their relevant Risk Leaders. • On an ongoing basis, the Committee will provide feedback on the standard and timeliness of reporting it receives from Management to help ensure it is adequate, meaningful and enables it to discharge its powers, duties functions and responsibilities.

Section 3: Interaction with the Board and other Committees

16. Interaction with the Board	<p>The Committee will:</p> <ul style="list-style-type: none">• assist the Board in developing its understanding of key issues falling within the Committee's remit, particularly for high rated risks. The Committee Chair will discuss those matters with the Board Chair and play a key role in curating Board sessions on those matters• report to the Board at its next meeting on matters considered by the Committee and to other Board Committee Chairs on matters relevant to those Committees• provide an annual evaluation to the Board of the overall system of risk management and internal control.• report any exercise of power by the Committee under delegation to the Board which will be noted by the Board in the minutes of its next meeting.
17. Interaction with other Board Committees	<ul style="list-style-type: none">• The Committee Chair will work with the Chair of the Finance, Audit & Sustainability Committee (FASC) on:<ul style="list-style-type: none">– the scope of insurance, in line with the Firm's risk mitigation strategy financial management of investments, joint ventures, mergers/acquisitions, divestments and other major projects– risks identified as a result of that Committee's review of individual business performance– oversight of management of tax risk– oversight of management of technology risk.• The Committee Chair will work with the Chair of the Partnership, People & Culture Committee on:<ul style="list-style-type: none">– learnings from and the application of, R&Q review consequences for partners– any implications for Partner policies– oversight of material work, health and safety risks.• The Chairs of the Risk Committee, Financial Audit & Sustainability Committee and the Governance Board, will attend a Partnership People & Culture Committee (PPCC) meeting at least annually to:<ul style="list-style-type: none">– consider material financial, non-financial and people-related matters within the PPCC's responsibilities– share information on risk metrics relating to matters within the PPCC's responsibilities, to facilitate ongoing oversight of those matters– consider and provide input into any other matters within each committee's responsibilities.• The Committee Chair will work with the Chair of the Nominations & Public Interest Committee on:<ul style="list-style-type: none">– material ethical business and personal conduct related matters, including in respect of the Firm's Whistleblowing Policy, Speak Up and Code of Conduct– conflict management related risks– regulatory and reputational related risks– the statements concerning risk management that are to be included in significant reports or statements to be published by the Firm.

Approved by the Governance Board.