

## **TERMS OF REFERENCE - RISK COMMITTEE**

### **1. Establishment and Purpose**

- 1.1. The Risk Committee (the “**Committee**”) was constituted by resolution of the board of directors of the Company (the “**Board**” or the “**Directors**”) on 26 February 2020.
- 1.2. The function of the Committee is to ensure that the Company has in place appropriate processes and systems for managing the Group’s risks and maintains the highest standards of integrity in risk reporting and corporate governance.
- 1.3. The Committee reviews the robustness of the Company’s risk management processes, the integrity of the Company’s system of internal controls and risk management systems, and the identification and management of risks through the use of the Company’s risk matrix.

### **2. Membership and Quorum**

- 2.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least two members.
- 2.2. The majority of the members of the Committee shall be independent non-executive directors.
- 2.3. Unless otherwise determined by the Board, a director shall be deemed to be “independent” for the purposes of these terms of reference if he would be deemed to be “independent” under the AIC Code of Corporate Governance (the “**AIC Code**”).
- 2.4. Only the Chairman of the Committee and its members have the right to attend Committee meetings. However, other individuals such as representatives of the Company’s Investment Advisor or any other related parties may, from time to time, be invited to attend all or part of any meeting as and when appropriate.
- 2.5. The Board shall appoint the Committee Chairman who shall be an independent non- executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 2.6. The quorum necessary for the transaction of business shall be two members provided that a quorum shall not be present if a majority of members are United Kingdom resident.
- 2.7. The current members of the Committee are William Scott, Robert Burke and Blake Nixon. William Scott acts as Chairman of the Committee.

### **3. Secretary**

The Company Secretary or his or her nominee shall act as 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.

#### **4. Quorum**

The quorum necessary for the transaction of business shall be two members. 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.

#### **5. Meetings**

The Members may convene the Committee, meet together for the despatch of business and otherwise regulate their meetings as they think fit.

#### **6. Frequency of Meetings**

- 6.1. The Committee shall meet at least twice a year at appropriate times and also at such other times as the Chairman of the Committee or any Committee member may require. Outside of the formal meeting programme, the Committee chairman will maintain a dialogue with key individuals involved in the Company's governance and risk management processes.

#### **7. Notice of Meetings**

- 7.1. Meetings of the Committee shall be summoned 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 together with an agenda of items to be discussed shall be forwarded to each member of the Committee, any other person invited to attend and all other non-executive directors, 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 Meetings**

- 8.1. The secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2. The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.

#### **9. Duties**

Other than where the Board has considered such items itself, the Committee shall carry out the duties set out below.

##### **9.1. Internal Controls and Risk Management Systems**

The Committee shall:

- 9.1.1. review the Company's internal control and risk management systems;
- 9.1.2. confirm the principal risks of the Company, which include, but are not necessarily limited to, those which could result in events or circumstances which might threaten the Company's business model, future performance, solvency or liquidity, and reputation;
- 9.1.3. review the principal, emerging, and other risks relevant to the business and the system of internal controls necessary to monitor such risks through use of the

Risk Matrix and, where requested by the Board, provide them with assurance of the robustness of their assessment and management of principal risks prior to the Directors making their statement thereon;

- 9.1.4. in conjunction with the Audit Committee, review the statements to be included in the Annual Report concerning internal controls and risk management prior to approval by the Board; and
- 9.1.5. review any significant transactions outside the Company's normal business or those with a greater risk profile (e.g. Company share buy backs).

## **9.2. Reporting Responsibilities**

- 9.2.1. The Chairman of the Committee shall make a brief report on the findings and recommendations of the Committee to the Board after each Committee meeting.
- 9.2.2. The minutes of the Committee meetings shall be circulated to the Board.
- 9.2.3. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **9.3. Other Matters**

The Committee shall:

- 9.3.1. have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 9.3.2. give due consideration to laws and regulations, the provisions of the AIC Code and the requirements of the UK Financial Conduct Authority's Listing Rules as appropriate;
- 9.3.3. oversee any investigation of activities which are within its terms of reference and act as a court of the last resort;
- 9.3.4. at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- 9.3.5. have the authority to investigate any matter within its terms of reference (and shall have the resources which it needs to do so) and to seek any information it requires from any associate of the Company. The Committee is authorised to take such independent professional advice (including legal advice) and to secure the attendance of outsiders with relevant expertise or experience as it considers necessary; and
- 9.3.6. consider other matters as specified by the Board.

The Committee shall not have any executive powers with regard to its findings and recommendations.

**Adopted by the Committee and the Board on 21 May 2020**

**Last reviewed and updated by the Committee and the Board on 28 February 2023**