

BRITISH INTERNATIONAL INVESTMENT PLC (THE “COMPANY”)

TERMS OF REFERENCE OF THE RISK COMMITTEE OF THE BOARD

(1) NAME

Risk Committee (“Committee”)

(2) MEMBERSHIP

(a) The Committee will consist of no less than three non-executive director members (“Members”) appointed by the Board and one Member shall also be a member of the Audit and Compliance committee.

(b) Appointments to the committee shall be for a period up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

Should the Chair not be available to carry out his or her duties, then the Chairman of the Company’s Board shall designate a member of the Committee to assume the responsibilities of the Chair in the Chair’s absence.

(3) QUORUM

Two Members

(4) SECRETARY

The secretary of the Committee shall be the Company’s ’s Company Secretary (“Secretary”) or his or her nominee.

(5) VOTING

Decisions shall be made by a majority of those voting with the Chair of the Committee holding the carrying vote in the event there is a tie.

(6) RESOLUTIONS IN WRITING

A resolution in writing signed by all the Members entitled to receive notice of a meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened

(7) FREQUENCY AND NOTICE OF MEETINGS

(a) Meetings of the Committee shall be held as required, but not less than four times a year.

- (b) Notice of meetings shall be given by the Secretary to all Members, the Chief Executive Officer, Chief Risk Officer, Chief Financial Officer and all attendees.

(8) ATTENDANCE AT MEETINGS AND ACCESS TO THE COMMITTEE

- (a) Only Members and the Secretary shall be entitled to attend meetings of the Committee.
- (b) Any other person may attend with agreement of the Chair. The Secretary shall maintain a list, which shall be reviewed and agreed from time to time of the staff who are expected to attend the meetings. This would typically include the CRO.
- (c) The Committee shall maintain an open door policy allowing all employees of the Company to bring any matters relevant to the Committee's work to the attention of the Committee and its Chair.

(9) AUTHORITY

The Committee is authorised by the Board:

- (a) to investigate any matters relevant to the fulfilment of its duties
- (b) to seek any information it requires from any employee of the Company and any subsidiary of the Company and all such employees are directed to co-operate with any such request made by the Committee
- (c) to obtain external legal or other independent professional advice and to secure the attendance of external advisors at its meetings (if it considers this necessary).

(10) GUIDING PRINCIPLE

The Committee shall be guided in all its decisions by the risk management framework which is designed to

- (a) manage risks to a level that will allow BII to achieve its mission – to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation; and
- (b) To reflect a clear understanding of the appetite for particular risks of the shareholders and key stakeholders of BII.

(11) DUTIES

The duties of the Committee shall be:

Risk policy, guidelines and risk culture

- (a) to periodically review the continued appropriateness of the risk appetite, tolerance and strategy of the Company and its subsidiary undertakings ("BII") taking account of BII's Risk Management Policy and Investment

Policy, its stated purpose, values, risk culture expectations, corporate strategy and strategic objectives, and the external and internal context BII is operating in (including, for the avoidance of doubt, climate change), and recommend updates to the Board.

- (b) to review the Risk Management Policy at least every two years and recommend updates to the Policy to the Board.
- (c) To review the Risk Limits Framework and recommend its approval to the Board.
- (d) to review and advise the Board on the current principal and emerging risk exposures of BII and how these may affect the likely achievement of BII's strategic objectives.
- (e) to escalate to the Board where, in the view of the Risk Function, the conduct of employees in the organisation is negatively affecting the effectiveness of BII's risk management processes. .
- (f) to ensure risk is taken into consideration when setting corporate objectives.
- (g) to receive and review reports on a timely and regular basis on the management of principal risks identified by Management and Management's assessment of whether these risks are within the agreed risk appetite.
- (h) to assess and advise the Board on the quality and appropriateness of BII's risk information and reporting;
- (i) to review the appropriateness of follow up action proposed by Management for risks that have been assessed as outside risk appetite and other risks agreed by Management and the Committee
- (j) to assess the adequacy and effectiveness of the risk management systems of BII in relation to both financial and non-financial risks
- (k) to review and monitor BII's ongoing action planning to implement, improve and maintain adequate risk management process, systems and culture
- (l) to review BII's statements on risk management systems and compliance with these statements prior to their endorsement by the Board and, in particular, to review and recommend to the Board statements to be included in the annual report concerning and risk management

Operational

- (m) to receive reports from any executive with respect to any matters within the Committee's duties as contained herein
- (n) to ensure the provision of adequate training for its Members (and those who report to it) in relation to its duties hereunder

- (o) to arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it consider necessary to the Board for approval.
- (p) to review and approve treasury and banking policies.

Chief Risk Officer and Risk Function

- (q) for the Chair of the Committee to meet regularly with the Chief Risk Officer, who will have the right and responsibility to elevate issues to the Chair of the Committee where he or she considers it necessary in the furtherance of his or her responsibilities
- (r) to review the work programme of the Risk Function and ensure that the Risk Function is adequately resourced, has appropriate access to information
- (s) to confirm that the Risk Function has adequate independence and is free from constraint by management or other restrictions so as to be able to perform its function effectively

General

- (t) to ensure the overall policies for risk management and control meet the relevant requirements of the Financial Conduct Authority regulations as applicable to BII.
- (u) to consider such other topics as are either referred to the Committee by the Board or may be defined by the Committee and notified to the Board.
- (v) where there is a perceived overlap of responsibilities between the Committee and the Audit and Compliance Committee, the respective Committee Chairs shall have discretion to agree the most appropriate Committee to fulfil any obligation. An obligation under the terms of reference of the Committee and the Audit and Compliance Committee will be deemed to have been fulfilled provided it is dealt with by either the Committee or the Audit and Compliance Committee.
- (w) the Committee will work and liaise as necessary with all other Board committees in order to carry out its duties.

(12) REPORTING

- (a) The Secretary shall circulate copies of the minutes of meetings of the Committee to all directors, following the preliminary approval of such minutes by the Chair; formal approval of such minutes shall be sought at the next meeting of the Committee
- (b) The Chair may report on decisions of, or matters coming before, the Committee to the Board and any other person or body the Committee considers appropriate

These terms of reference are to be reviewed annually.

Adopted by the Risk Committee on 29 June 2022