

# **Metro Bank Plc**

## **Risk Oversight Committee (“ROC”)**

### **Terms of Reference**

#### **1. Constitution**

The Metro Bank Board of Directors (the “Board”) has established a Committee of the Board, known as the Risk Oversight Committee, with Terms of Reference as set out below.

#### **2. Purpose**

The Committee shall be accountable to the Board and shall assist the Board in providing leadership, direction, and oversight with regard to the Bank’s risk governance and management, and shall also assist the Board to foster a culture within the Bank that emphasises and demonstrates the benefits of a risk-based approach to risk management and internal controls. It works closely with the Audit Committee.

#### **3. Chairman**

The Board shall appoint the Committee Chairman who shall be an independent Non-Executive Director.

#### **4. Membership**

All members of the Committee and its Chairman shall be appointed by the Board. The Committee shall be selected from the independent Non-Executive Directors and shall in any event comprise no fewer than three members. Attendance is open to any Non-Executive Director who may wish to attend.

Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two additional three year periods, provided the director remains independent.

A quorum shall comprise three members of the Committee.

In absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

The Committee may invite any director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the fulfilment of its duties.

The Chief Risk Officer or their nominee shall act as the Secretary of the Committee.

## **5. Meetings**

The Committee shall meet as and when appropriate but not less than four times a year.

The Chairman of the Committee, the Chief Risk Officer, or two members of the Committee may request additional meetings to consider such matters related to its responsibilities as they may consider desirable.

## **6. Authority**

The Board authorises the Risk Committee to:

- investigate any matter within its Terms of Reference and make any recommendations which it deems appropriate on any area within its remit where action or improvement is needed;
- ensure that an appropriate liaison is maintained with the Risk, Audit, and Asset and Liability Committees;
- seek any information it requires from any director or employee of the Bank and the Board directs that all directors and all employees co-operate with any requests made by the Committee; and
- obtain at the Bank's expense appropriate external professional advice, and if necessary invite external advisers with relevant experience to attend meetings of the Committee.
- Delegate any of its duties as appropriate to such persons or person as it thinks fit.
- The Committee may form sub-committees from its membership to address specific aspects of its duties.

## **7. Duties**

The Committee in carrying out its duties under these Terms of Reference shall:

- Recommend to the Board the Bank's risk appetite and regularly review the Bank's risk exposures in relation to the Board's risk appetite, monitoring any significant risks.
- Review and challenge the ICAAP in order to identify issues relating to the adequacy of the Bank's capital resources.
- Review and challenge the ILAA in order to identify issues relating to the adequacy of the Bank's liquidity.

- Review the Bank's Risk Policies, and recommend them to the Board for approval.
- Maintain oversight of the Bank's risk management processes and procedures and monitor their effectiveness. This will include:
  - an assessment of risk management procedures (for the identification, measurement and control of key risk exposures) in accordance with changes in the operating and regulatory environment;
  - review of Risk reports on the key business areas to assess the level of business risk exposure;
  - consideration of any major findings of the Financial Services Authority and internal/external audit's risk management reviews and monitoring Management's response; and
  - an assessment of the risks of new ventures and other strategic initiatives.
- Review and assess the effectiveness of the Bank's systems of risk controls and advise its findings to the Audit Committee and the Board.
- Consider information that is presented with financial statements relating to risk management policies and key risk exposures to ensure that it is in accordance with the statutory requirements and financial reporting standards.
- The Committee shall consider any other matters requested by the Board from time to time.

## **8. Annual Review**

The Committee will conduct an annual review of its performance, and ensure that it is provided with sufficient resources to undertake its duties, and that sufficient training is provided to members on appointment and on an ongoing basis, and recommend any changes it considers necessary to the Board for approval.

These Terms of Reference will be reviewed and, where necessary updated, at least once a year.

## **9. Minutes and Reporting**

The Chairman of the Committee shall be responsible for reporting to the Board. The minutes of all meetings and resolutions of the Committee shall be circulated to the members of the Committee and to the Board. The Secretary will retain copies of the minutes and papers.