



# **Risk Committee**

## **Terms of Reference**

10 March 2017

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## 1. Definitions

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**Committee** means the Worldpay Group PLC Risk Committee

**Company** means Worldpay Group PLC

**Group** means the WorldPay group of companies, being the subsidiaries of the Company

**Board** means the board of directors of Worldpay Group PLC

## 2. Constitution

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2.1 It is resolved that a committee of the Board be established, to be known as the Risk Committee.

## 3. Membership

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- 3.1 The Committee shall comprise a minimum of three members and at least one member must also be a member of the audit committee. Members of the Committee are appointed by the Board on the recommendation of the nomination committee in consultation with the chairman of the Committee.
- 3.2 All members of the Committee should be independent non-executive directors. The chairman of the Board may not be a member of the Committee. If the Board decides that a member of the Committee is no longer independent, the Board will determine whether or not that member will cease to be a member of the Committee.
- 3.3 The chairman and members shall be listed each year in the Company's annual report.
- 3.4 Each member shall hold office as a Committee member for a period of up to three years, which may be extended by no more than two additional periods of up to three years, so long as the member continues to be an independent non-executive director.
- 3.5 The Board shall appoint the Committee chairman. 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.
- 3.6 If any member of the Committee is unable to act for any reason, the chairman of the Committee may appoint another independent non-executive director of the Company agreed by the other members of the Committee to act as that member's alternate.
- 3.7 The company secretary or his or her nominee shall be the secretary of the Committee. The company secretary shall ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 3.8 Each member of the Committee shall disclose to the Committee:

- a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
- b) any potential conflict of interest arising from a cross-directorship.

Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

## 4. Meetings

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The Committee shall meet at least three times a year and otherwise as the chairman of the Committee shall require. A meeting shall be held as soon as reasonably practicable upon a request for such meeting by any member of the Committee or the Company's Chief Risk Officer.

- 4.2 No one other than the chairman and members of the Committee is entitled to be present at a meeting of the Committee. The chairman and members of the Committee shall, however, have the discretion to decide if other individuals such as the chairman of the Board, chief executive, other directors, the heads of risk, compliance and internal audit and representatives from the finance function of the Company may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The external auditor, Chief Risk Officer and Chief Finance Officer will be invited to attend meetings of the Committee on a regular basis.
- 4.3 The quorum for meetings of the Committee shall be two members present throughout the meeting. 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.
- 4.4 Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, where appropriate, shall be forwarded to each member of the Committee and any person invited to attend no later than five working days prior to the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the Committee to all members of it and to arrange such meetings so that members are able to attend them.
- 4.5 A member of the Committee may participate in Committee meetings in person or by telephone or video conference.
- 4.6 In the event of an equality of votes, the chairman of the Committee shall have a casting vote.
- 4.7 The secretary of the Committee shall prepare minutes of proceedings and decisions for all meetings of the Committee, including the names of those present and in attendance, and, after approval and signature by the chairman of the Committee, shall circulate the minutes to all members of the Committee and to the chairman of the Board and, once agreed, to all other members of the Board, unless it would be inappropriate to do so in the opinion of the Committee chairman.
- 4.8 The chairman of the Committee shall be available to answer questions about the Committee's activities at the annual general meeting of the Company. All members of the Committee shall also attend the annual general meeting.

- 4.9 Outside of the formal meeting programme, the Committee chairman shall communicate on a continual basis with key individuals involved in the Company's governance, including the Board chairman, the Chief Executive, the Chief Financial Officer, and the Chief Risk Officer.

## 5. Duties

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- 5.1 The Committee's Compliance and Risk Management duties include but are not limited to:
- 5.1.1 Reviewing regular reports from the Money Laundering Reporting Officer and the adequacy and effectiveness of the Company's anti-money laundering systems and controls;
  - 5.1.2 Reviewing regular reports from the Compliance Director, management, and other matters related to risk and compliance and keeping under review the adequacy and effectiveness of the Company's compliance function;
  - 5.1.3 Overseeing the evaluation and governance of the Group's risk strategy and risk appetite as derived from the Board;
  - 5.1.4 Reviewing compliance with the framework of risk limits and proposals in relation to risk appetite;
  - 5.1.5 Ensuring that appropriate policies consistent with regulatory and industry standards are designed and adopted;
  - 5.1.6 Reviewing reports on any material breaches of risk limits and the adequacy of proposed actions;
  - 5.1.7 Reviewing the proposed response to any other issues of non-compliance with Group's systems and controls;
  - 5.1.8 to review the adequacy and security of arrangements by which staff and contractors of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the proportionate and independent investigation of such matters, and for appropriate follow-up action;
  - 5.1.9 review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
  - 5.1.10 Reviewing the effectiveness of the arrangements made for incident management (including disaster recovery and business continuity plans) and the results of any live incidents or testing;
  - 5.1.11 Overseeing the active management, appropriate communication, categorisation and prioritisation of identified risks relevant to the Group;
  - 5.1.12 Reviewing and reporting risk trends, risk concentrations and emerging risks;
  - 5.1.13 Reviewing and monitoring regulatory developments;
  - 5.1.14 Overseeing credit, insurance, operational, regulatory, IT, capital and liquidity risks;
  - 5.1.15 Reviewing and approving managements' Scheme strategy, together with:

- a) monitoring management's responsiveness to filings and recommendations of regulators or card schemes;
- b) reviewing operational performance of the Scheme programmes e.g. Chargeback, Fraud;
- c) reviewing the Groups PCI compliance level both for its own and its merchants systems;
- d) reviewing any risks that could result in the Group receiving assessments from the Schemes;

5.1.16 Considering and approving the remit of the Risk and Compliance teams and ensuring that they have adequate resources and appropriate access to information to enable them to perform their respective functions effectively, in accordance with relevant professional standards and with a requisite degree of objectivity;

5.1.17 Review and approve the annual plans for Risk and Compliance functions;

5.1.18 Oversee and approve the replacement or amendment of Group policies;

5.1.19 Reviewing the regulatory and economic environment from a risk perspective, to ensure that the risk function is considering and assessing all future risks that may have an impact on the Group; and

5.1.20 To advise the board (if requested to do so by the board) on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Company and the Group, and taking independent external advice where appropriate and available.

5.2 The Committee is authorised by the Board to investigate any activity within the scope of its duties.

## 6. Reporting Responsibilities

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6.1 The reporting responsibilities of the Committee shall be:

6.1.1 to assist the Board by preparing a statement for inclusion in the directors' report (to shareholders as contained in the annual report) describing the roles and responsibilities of the Committee and actions taken by the Committee to discharge those responsibilities; as well as the number of Committee meetings and attendance by each member;

6.1.2 to produce for the Board's approval the statement for inclusion in the annual report that the directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity (including an explanation as to how these risks are being managed or mitigated);

6.2 The chairman of the Committee shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities, unless it would be inappropriate to do so. This report shall include:

- a) the significant issues that it considered in relation to risk appetite and tolerance and how these were addressed; and
- b) any other issues on which the board has requested the Committee's opinion.

- 6.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 6.4 The Committee shall report formally to the Board on its activities to be included in the Company's annual report; and
- 6.5 The Committee has the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

## *7. Performance, Resources and Training*

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- 7.1 The Committee shall also:
  - a) make available these terms of reference, explaining the role and the authority delegated to it by the Board, by including the information on the Company's website;
  - b) consider other topics, as defined by the Board;
  - c) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary or desirable to the board for approval;
  - d) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
  - e) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing, Prospectus Rules and Disclosure Rules and Transparency Rules and any other applicable Rules, as appropriate; and
  - f) oversee any investigation of activities which are within its terms of reference.
- 7.2 The Committee is authorised by the Board to obtain outside legal, accounting or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if it reasonably considers this necessary, at the Company's expense;
- 7.3 The Committee shall have access to the services of the company secretariat on all Committee matters including (but not limited to) assisting the chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of practical support; and
- 7.4 The Committee is authorised to seek any information it requires from any employee of the Company or Group company and call on any employee of the Company or Group to be questioned at a meeting of the Committee, as and when required, in order to perform its duties and shall have access to the head of risk (if there is one).

Document control

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Version	Status	Issued by	Date issued