

BROOKS MACDONALD GROUP PLC – RISK & COMPLIANCE COMMITTEE

The terms of reference of the committee are:

Purpose

The Risk & Compliance Committee is a committee of the board of Brooks Macdonald Group plc (BMG) which it will assist to discharge its responsibilities in relation to the maintenance of an effective framework of risk management.

Duties and Scope

Risk Management /Internal Controls

It is the responsibility of the committee to ensure that there is an effective risk management framework in place across the Group, including, but not limited to:

1. Management of operational events that could prevent the business from achieving its objectives or realising opportunities; and
2. Compliance with legal and regulatory obligations.

The committee is to be satisfied that the business is effectively monitoring and acting upon its business risks (including compliance and internal controls) to ensure:

- 3 The effective and efficient operation of all relevant business processes;
- 4 Current and emerging key risks are identified and effectively managed; and
- 5 Significant breaches of legal compliance and internal control matters are being reported and acted upon (through the controlled entities' management line, the boards of controlled entities and ultimately to the BMG Board).

The committee is to be satisfied with the management of key operational risks facing the business including the effectiveness of internal controls and will monitor the implementation of key recommendations and management action plans.

Committee Procedures

The committee shall meet on a bi-annual basis, or more frequently if required, and will be convened and conducted on the same principles as those that apply to the Board.

Quorum - a meeting of the committee shall be taken to be convened if at least two members are present.

The committee may invite members of management or others to attend meetings from time to time.

The committee will report to the BMG Board on its activities at least once a year.

Chair: Colin Harris

Members:

Chris Knight

Diane Seymour-Williams