

Liverpool Victoria Financial Services Limited (“LVFS” or “Company”)

Risk Committee (“Committee” or “BRC”)

Terms of Reference

<p>Status and Source of Authority</p>	<p>Sub-committee of the Board of Directors of LVFS (the Board).</p> <p>Authority is derived from the Board’s establishment of the Committee and the approval by the Board of these Terms of Reference on 30 January 2026. These Terms of Reference replace in their entirety those last adopted on 23 January 2025.</p>
<p>Main purpose</p>	<ul style="list-style-type: none"> • Recommend the Company’s risk appetite and strategy in order to achieve its long-term strategic objectives. • Determine and ensure that appropriate risk management systems and robust procedures are in place to identify, monitor and mitigate against the Company’s emerging and top risks. • Assist the Board in discharging its risk and capital management responsibilities, focusing on current and forward-looking risk exposure and risk strategy. • Assist the Board to identify and embed an appropriate risk management culture for the business. • Monitor the Risk Management Framework and provide assurance to the Board on its effectiveness. • Assist the Board in undertaking the assessment of whether the Group is delivering good outcomes for its customers which are consistent with the Consumer Duty regulations.
<p>Membership</p>	<ul style="list-style-type: none"> • At least three members, all of whom shall be independent Non-Executive Directors (NEDs) of LVFS; one of which to be the Chair of the Committee. • The Committee shall include at least one member of the Audit Committee. • Appointments to the Committee are made by the Board on the recommendation of the Remuneration and Nomination Committee and in consultation with the Chair of this Committee. • In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board. • On any vote of the Committee, the majority shall prevail, with the Chair holding the casting vote.
<p>In attendance</p>	<p>Regular attendees:</p> <ul style="list-style-type: none"> • Chief Risk Officer (CRO) • Chief Executive Officer (CEO) • Chief Finance Officer (CFO) • Chief Internal Auditor • Chief Compliance Officer • Director of Operational Risk • Director of Financial Risk <p>The Committee may also invite such other persons to its meetings to observe, report, answer questions or make presentations, as it deems necessary. The WPC/RNPFN With-Profits Committee Chair has the right of attendance at the Risk Committee once a year to discuss risk and capital matters relating to with-profits policyholders.</p>

Secretary	The Company Secretary (or his / her delegate) shall act as Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
Quorum	Two members
Meeting frequency	Meetings shall be held not fewer than four times a year.
Notice of meetings	<ul style="list-style-type: none"> • Meetings may be convened, by the Secretary, at the request of the Committee Chair, any of its members, the Chief Risk Officer, the Chief Internal Auditor or the External Auditor. • In circumstances where a decision is required to be made in a timely fashion, the interim meeting may take place by email and shall be valid if the email has been circulated to all members of the Committee and the decision is approved by a quorum. • Notice of any Committee meeting must indicate: a) its proposed date and time; b) where it is to take place; and c) if the members will not be in the same place, how they should communicate with each other during the meeting. • The Secretary shall circulate the agenda (including the venue, time and date of the meeting) together with the supporting documentation to the Committee members a reasonable period in advance of each meeting.
Minutes and Reporting	<ul style="list-style-type: none"> • The Secretary shall minute an accurate record of the proceedings and decisions of the Committee. • The draft of the minutes, as approved for issue by the Chair, shall be presented to the next meeting of the Committee for formal adoption. • Where meetings take place by exchange of email, copies of the emails will be included in the minute book as the minutes of the email meeting. • The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
Conflicts of Interest	The Secretary shall ascertain any conflicts of interest of members of the Committee at the start of each meeting in relation to the matters to be discussed and record accordingly in the minutes. The Chair may require any such conflicted member to withdraw from the meeting while the matter is considered by the Committee.
Engagement with Members	The Committee Chair should attend the Annual General Meeting to answer any Member questions on the Committee's activities. In addition, the Committee should seek engagement with Members on significant matters related to the Committee's areas of responsibility.
Decide	<p><u>Risk Management</u></p> <ol style="list-style-type: none"> 1. Material changes to the Risk Management Framework to ensure continued effective risk and capital management, including risk identification, control, management, monitoring and reporting of risk and regulatory exposures. 2. The annual Risk Management Plan and any subsequent changes during the year. 3. The report on risk management for inclusion in the Annual Report and Accounts. 4. Review arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, accounting, internal control or other matters, ensuring that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action. 5. The Recovery and Resolution Plan Framework. <p><u>Own Risk and Solvency Assessment (ORSA)</u></p> <ol style="list-style-type: none"> 6. The minimum stress testing requirements for the ORSA Report. <p><u>Regulatory</u></p> <ol style="list-style-type: none"> 7. Any changes to LVFS' regulatory permissions.

	<p><u>Policies and Limits</u></p> <p>8. The Board Mandated Policies as defined in the Board Mandated Policies document.</p> <p>9. The Liquidity Framework.</p> <p>10. The Management Options Catalogue.</p> <p><u>Customer, Advisor and Product Governance</u></p> <p>11. The Fair Value Framework including the supporting metrics and thresholds.</p> <p><u>Operational Resilience</u></p> <p>12. The annual Operational Resilience self-assessment.</p> <p>13. Any new, or changes to, Important Business Services and the related impact tolerances.</p> <p><u>Investments/ Financial Risk Management</u></p> <p>14. Changes to the hedging/risk management strategy of financial market risks which increase or reduce risk across all funds above the CFO's limits.</p> <p>15. The annual review of the OB Pensions reinsurance arrangement (including the Recapture Plan).</p> <p><u>Staff Pension Scheme</u></p> <p>16. Outside of the Staff Defined Benefit Pension Schemes themselves, decide risk mitigation actions, if outside ALCO IIAP limits, in respect of the Scheme's risks (e.g. how they affect the Group as a whole), ensuring that there is a full assessment of the additional risks (e.g. liquidity risk) introduced by such actions.</p>
Recommend to the Board	<p><u>Risk Management</u></p> <p>1. Setting and changing of risk strategy (including attitude to risk statements) and risk preferences.</p> <p>2. The Risk Appetite Framework and proposed changes to Risk Appetite Statements over time.</p> <p>3. The Sustainability Triggers Framework and proposed changes over time.</p> <p>4. Risk and capital implications of proposed strategic transactions or business initiatives including proposed acquisitions or disposals, ensuring that a due diligence review is undertaken, focusing in particular on risk and the impact on the Group's risk appetite.</p> <p><u>Own Risk and Solvency Assessment (ORSA)</u></p> <p>5. The ORSA Policy.</p> <p>6. Scope, format, timing and content of the ORSA Report.</p> <p>7. Actions necessary to ensure LV= can meet regulatory requirements associated with the production of ORSAs.</p> <p><u>Investments/ Financial Risk Management</u></p> <p>8. Use of Financial Reinsurance for capital management purposes with a capital impact greater than the CFO's Delegated Authority.</p> <p>9. Material changes to the OB Pensions Default Management and Recapture Plan.</p> <p><u>Financial Reporting</u></p> <p>10. The appropriateness of the Standard Formula used to determine solvency requirements under Solvency UK (as considered within the ORSA processes).</p> <p><u>Consumer Duty</u></p> <p>11. The Annual Report to assess whether the Group is delivering good outcomes for its customers which are consistent with the Consumer Duty regulations.</p>

	<p><u>Other</u></p> <p>12. Changes to modus operandi of the Committee resulting from the annual effectiveness review and any changes to its Terms of Reference.</p> <p>To the Remuneration and Nomination Committee:</p> <p>13. The appointment of the CRO.</p> <p>14. The Committee should provide advice to the Remuneration and Nomination Committee on any risk weightings to be applied to performance objectives incorporated in the incentive structure for executive remuneration and other key employees. The Committee should also make recommendations on clawback provisions.</p>
Oversight	<p>The BRC will oversee the following matters on behalf of the Board and will determine matters to be brought to the attention of subsidiary boards:</p> <p><u>Risk Management</u></p> <ol style="list-style-type: none"> 1. Profile of all material risk exposures, relevant financial and non-financial risk MI, impact of top and emerging risks and associated risk mitigation plans, whilst ensuring that the implications of any significant issues, trends, loss events, etc. are understood and are being appropriately managed. 2. Appropriateness/ effectiveness of risk management activity, ensuring that the implications of any significant issues, trends, loss events, etc. are understood and are being appropriately managed. 3. Actions being taken to bring risks within plan, appetite or strategy. 4. Review the performance against the Risk Appetite Statements and the methodology adopted. 5. Regularly review the risk profile (as determined by the Risk and Controls Self-Assessment (RCSA) process). 6. Actions arising from the assurance reviews (contained within the Risk Management Plan) with "High Risk adverse findings". 7. Actions to address a material breach in any Board Mandated Policy, ensuring arrangements are in place for implementation/monitoring of these actions. 8. Regularly review and monitor sustainability compliance, including climate and other related risks including reputational risk. 9. Assessments regarding risk maturity and risk culture. 10. Regularly review and monitor the systems and controls relating to outsourced providers. 11. SST, including reverse stress testing. <p><u>Regulatory, Compliance and Financial Crime</u></p> <ol style="list-style-type: none"> 12. Changes to a subsidiary's regulatory permissions. 13. Updates from Management regarding compliance or regulatory matters including Consumer Duty. 14. Regularly review and monitor the systems and controls for the prevention of bribery and detection of fraud. 15. Review regular reports from the Chief Compliance Officer which includes monitoring, data protection and regulatory matters and keep under review the adequacy and effectiveness of the Company's compliance function. 16. Regularly review the Management Responsibilities Map. 17. Review regular reports from the Chief Actuary on the Life Underwriting (New Business) Policy and the adequacy of the reinsurance arrangements. <p><u>ORSA</u></p> <ol style="list-style-type: none"> 18. Use of the ORSA model and associated risk appetite to support key business decisions.

	<p><u>Investments/Risk Management</u></p> <p>19. ALCO changes in derivative positions to reduce risk, including improving overall portfolio matching across all funds.</p> <p><u>Product Governance and Consumer Duty</u></p> <p>20. Due regard for risk in respect of product approvals process (in respect of new and material changes to products) and in the execution of the process in respect of product changes/launches. This will also include ongoing oversight of proposition management through the product review process.</p> <p>21. Review reports from Management regarding whether LVFS is delivering good outcomes for its customers.</p> <p><u>Other</u></p> <p>22. Ensure the Risk function has adequate independence and is free from Management or other restrictions.</p>
Consult (With Profits Committees)	<p>The Committee will consult with the With-Profits Committees (WPCs) on the following matters that impact the with-profits funds:</p> <p>1. Changes in derivative positions which increases or reduces the risk, including improving overall portfolio matching, across the with-profits funds above ALCO limits.</p> <p><u>Note:</u> Should the Committee depart from any subsequent recommendation of either WPC, it must set out why and feedback to the WPC to allow the WPC time to reflect and respond. The Committee must consider any further feedback from the WPC and respond with any additional reasons, should it continue to depart from the WPC recommendation and must bring the matter to the attention of the Board.</p> <p>In any exceptional instance where the Board continues to depart from a recommendation from the WPC, for which the WPC considers it to be sufficiently material, the WPC has the right to insist that the Board notify the appropriate Regulator.</p>
Notify (With Profits Committees)	<p>The Committee will notify the With-Profits Committees on:</p> <p>1. Actions to address material breaches in any Board Mandated Policy which impacts the with-profits funds.</p>
Delegated Authorities	<p><u>Delegation onwards (for a recommendation back)</u></p> <p>Not applicable.</p> <p><u>Delegation onwards (unconditional)</u></p> <p>Not applicable.</p>
Escalation	<p><u>To:</u> The Board Remuneration and Nomination Committee.</p> <p><u>From:</u> Chief Risk Officer.</p>
Guidance Notes	<p><u>Risk Management</u></p> <p>1. Changes to the risk organisational structure and framework should consider the remit of the risk management function and ensure it has adequate resources and appropriate information to allow it to perform its duties effectively. Where the Committee approves changes to the Risk Management Framework and this results in changes being made to documents which confirm these arrangements, the CRO is authorised to make changes to these documents without further Committee approval.</p> <p><u>Relationship and Reporting to Other Boards or Committees</u></p> <p>2. Work closely with the Audit Committee, in particular to provide the necessary assurance regarding the internal financial control and risk management systems to discharge the Audit Committee's financial reporting and internal control responsibilities.</p> <p>3. Work closely with the Investment Committee to ensure a co-ordinated approach is taken to the management of financial markets and liquidity risk.</p>

4. The Board authorises the Committee, within the scope of its responsibilities, to have unrestricted access to Management, employees and relevant information.
5. LVFS Subsidiaries will seek to take account of the work of the Committee to the extent that the latter considers matters relevant to these subsidiaries.

Decision Making

6. When making a decision or recommendation, the Committee shall consider each of the following points (and, where not applicable, specifically note in the minutes as such):
 - a. The material risks impacted by the decision/ recommendation;
 - b. The alignment of the decision/ recommendation with the risk appetite and risk strategy of the Group;
 - c. The impact of the decision/ recommendation upon the current and future solvency and liquidity of the Group and any subsidiaries of LVFS affected;
 - d. The impact of the decision/ recommendation in terms of risk-adjusted performance;
 - e. Clear reasons for any decisions/ recommendations contrary to that implied by the ORSA Model results;
 - f. The effect that variations in key assumptions would have upon the risk, solvency and performance impacts of the proposal; and
 - g. The impact of the recommendation on key stakeholders, notably customers and/or members, and alignment with LVFS' Consumer Duty requirements.

External Reporting

7. The Board should confirm in the Annual Report and Accounts that it has completed an assessment of the procedures and controls to manage risk and identified the top risks, which the Company is willing to take in order to achieve its long-term strategic objectives.
8. The Report should confirm that a robust assessment of the emerging and top risks has been considered, and an explanation of how these risks were managed or mitigated.
9. An annual review of the effectiveness of the risk management systems should be carried out and reported in the Annual Report and Accounts.

Effectiveness

10. To perform his or her role effectively, each Committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the Committee's responsibilities and of LV's business, operations and risks.
11. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and Secretariat for advice and assistance as required.
12. The Committee will monitor developing trends and changes in legislation to assess the impact (if any) to LVFS in so far as they relate to matters relevant to the Committee.
13. On an annual basis, the Committee will conduct a review of its performance having regard both to the discharge of its requirements under the Terms of Reference and the areas of priority set. The Remuneration and Nomination Committee will decide the process for the Board and all Board Committee annual performance reviews. The Committee will report accordingly to the Board with any recommendations from the review.
14. The Committee will keep its Terms of Reference under review and will propose to the Board amendments to the Terms of Reference as necessary to ensure that they continue to be appropriate and reflect any issues which arise from the effectiveness review.
15. At the end of each meeting, the Committee will briefly consider the effectiveness of the meeting, taking into account the quality of the papers and debate, the sufficiency of time and its appropriate allocation across matters relative to their respective importance.

Version Effective	2026-01-30 Risk Committee ToR (Board Approved)
Supersedes Version	2025-01-23 Risk Committee ToR (Board Approved)
Effective From - To	23 January 2025 – 30 January 2026