



KINGSWOOD

PROTECT AND GROW YOUR WEALTH

**KINGSWOOD
HOLDINGS
LIMITED**

**TERMS OF REFERENCE
FOR RISK AND
COMPLIANCE
COMMITTEE**

KINGSWOOD
HOLDINGS LIMITED

(the "Company")

TERMS OF REFERENCE

FOR
RISK AND COMPLIANCE
COMMITTEE

1. MEMBERSHIP.

The Risk and Compliance Committee is chaired by the appointed Non-Executive Director.

Members of the committee are;

The Group Chief Executive
The appointed Non-Executive director
The Chief Operating Officer
The Head of Wealth
Members of the Compliance teams
The Group Financial Controller
The Head of Trading Services

2. QUORUM.

The quorum is three members and the Chair or his/her appointed deputy.

3. IN ATTENDANCE.

The Risk and Compliance Committee can call upon the senior management and members of staff as it thinks fit.

Specialists may be requested to attend for specific items or to make presentations to the Risk and Compliance Committee. This may include the firm's auditors or other consultants.

4. MEETINGS.

A minimum of four meetings per annum will be held. Meetings should be held, where possible, before Board meetings to allow escalation of any issues raised in the Risk and Compliance Committee. Ad-hoc meetings can be called as required.

Minutes will be circulated to all directors and, as appropriate, to attendees. Reports shall be made to the Board by the Chairman of the Risk and Compliance Committee following each meeting. This task may be delegated to a Risk and Compliance Committee member by the Chairman.

5. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE.

The responsibilities of the Risk and Compliance Committee shall be:

(i) To work closely with the Board and provide advice in relation to current and potential future risk exposures of the Group and future risk strategy, including the determination of risk appetite and tolerance.

(ii) To continually consider the risk profile relative to current and future strategy and risk appetite and identify trends and exposures and any requirements for policy change and to review the performance of the firm relative to its risk appetite.

(iii) To work with the Board on at least an annual basis the risk appetite for all risks and related authorities and limits. This will be done by reviewing the processes set out in Senior Manager Arrangements Systems and Controls spreadsheet (SYSC Map).

(iv) To oversee the risk management systems, practices and procedures to ensure effectiveness of risk identification and management throughout the firm.

(v) To work closely with the Board on the production and review of the firms Risk Map.

(vi) To review the adequacy of the controls and mitigants as documented in the Risk Map.

(vii) To agree action plans and target dates to address identified risks and ensure that they deliver desired outcomes.

(viii) To conduct a thorough analysis of the risk implications where Kingswood Group has decided to undertake a new service or supply a new product.

(ix) To ensure a thorough analysis has been undertaken of the risk implications where Kingswood Group has decided to make a new business acquisition.

(x) Approve, or do any act, matter or thing ancillary to any matter referred in points (i) to (ix) above. This includes ensuring that the ICAAP is accordingly updated.

(xi) To review and assess the risk management strategy of the Group and where appropriate, to ensure that risks are adequately mitigated.

(xii) To consider and deal with any other matters as may from time to time be referred to the Committee by the Board.

6. AMENDMENTS TO TERMS OF REFERENCE.

The Risk Committee may recommend to the Board any amendments to these Terms of Reference at any time.