

Risk Committee Terms of Reference

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1. CONSTITUTION

- 1.1 The Risk Committee (**Committee**) was constituted as a committee of the Board of The Private Infrastructure Development Group Holding Company Limited (**Company**) at a full meeting of the Board held on 23 September 2026 in accordance with the articles of association of the Company.
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference, save that nothing in these terms of reference authorises the Committee to exercise any power reserved to the Board under the Company's Matters Reserved for the Board. In the event of any conflict between these terms of reference and the Company's Matters Reserved for the Board, the latter shall prevail and the conflict shall be referred to the Board for resolution.
- 1.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members, including, without limitation, the establishment of sub-committees which are to report back to the Committee, save that any sub-delegation of a substantive risk-oversight duty shall be notified to the Board and the Committee shall remain accountable to the Board for any matter so delegated.
- 1.4 The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring, subject to overlap with the Audit Committee:
 - the Company's attitude to and appetite for risk and its future risk strategy, including climate-related and other ESG risk;
 - the Company's risk management and internal control framework;
 - how risk is reported both internally and externally; and
 - the processes for compliance with laws, regulations and ethical codes of practice and prevention of fraud.

2. MEMBERSHIP

- 2.1 The Committee shall comprise a minimum of three members. Each Committee member shall have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy, and at least one member shall have recent and relevant financial or quantitative risk experience. The Committee as a whole shall have competence relevant to the sector in which the Company operates. Each Committee member shall be an independent non-executive director as determined by the Board (in accordance with the principles of the UK Corporate Governance Code (the **Code**)).
- 2.2 A member of the Audit Committee shall serve as a member of the Committee.
- 2.3 The Board shall appoint members of the Committee on the recommendation of the Nomination, Governance and Remuneration Committee (**NGRC**), in consultation with the chair of the Committee.
- 2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, so long as members continue to be independent and satisfy the criteria for membership of the Committee.
- 2.5 The Board shall appoint the Committee chair from among the independent non-executive directors. In the absence of the Committee chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 2.6 The chair of the Board shall not chair the Committee but may be invited to attend its meetings.

- 2.7 The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
- 2.8 The company secretary, or their nominee, shall act as secretary of the Committee and provide all necessary support to the Committee, including recording Committee minutes and ensuring the Committee receives information and papers in a timely manner to enable full and proper consideration of relevant issues.

3. MEETINGS

Frequency and dialogue

- 3.1 The Committee shall meet at least four times a year.
- 3.2 Outside the formal meeting schedule, the Committee chair (and to a lesser extent, other Committee members) shall maintain a dialogue with key individuals involved in the Company's governance, including the Board chair, the PIDG CEO, the PIDG CFO and PIDG CRO.

Notice of meetings

- 3.3 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair or any of its members.
- 3.4 Unless the Committee otherwise agrees, notice of each meeting confirming the venue, time and date, together with an agenda, shall be forwarded to each Committee member and any other person required to attend no later than five working days before the meeting. Supporting papers shall be sent at the same time, but may be forwarded at shorter notice with the Committee chair's approval.

Attendance

- 3.5 Only members of the Committee have the right to attend and vote at Committee meetings. However, the PIDG Chair, the PIDG CEO, PIDG COS and Global Head of Communications, PIDG CFO and PIDG CRO shall be invited to attend meetings of the Committee. Other non-members may be invited to attend all or part of any Committee meeting as and when appropriate and with the Committee chair's agreement. The Committee chair shall have discretion to decide who, other than Committee members, shall attend and address Committee meetings.
- 3.6 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of an actual or perceived conflicts of interest and minute them accordingly.
- 3.7 If the Committee chair decides in consultation with the other members (if necessary) that a member has an actual or perceived conflict of interest, the Committee chair may determine that the member absent themselves from a particular committee business and/or that a recommendation should be made to the Board that such member be removed as a member. Any decision of the Committee chair (and/or of the Board) shall be final and binding.
- 3.8 Any Committee member with a standing or recurring conflict shall notify the Committee chair and the company secretary on appointment and thereafter as conflicts arise.
- 3.9 Meetings of the Committee may be conducted with members physically present together or by video or audio conference.

Quorum

- 3.10 The quorum for the transaction of business at a Committee meeting shall be three members present in person or by audio or video conference.
- 3.11 A duly convened Committee meeting 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.

Voting arrangements

- 3.12 Subject to paragraph 3.13 and 3.14, each Committee member shall have one vote, which may be cast on matters considered at the meeting. Votes may only be cast by members attending a committee meeting (in person or by audio or video conference).
- 3.13 A Committee member with a direct or indirect personal interest in a matter shall not be permitted to vote on that matter.
- 3.14 In any circumstance that majority agreement of any issue or matter cannot be reached then the matter will be referred to the Board.
- 3.15 The Committee chair may ask any attendee to leave the meeting to allow discussion of matters relating to them.

4. MINUTES

- 4.1 The company secretary (or their nominee) shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.
- 4.2 Draft minutes shall be agreed with the Committee chair and circulated promptly to all Committee members, unless the Committee chair considers it inappropriate to do so. Once approved, minutes shall be made available to all other Board members unless, exceptionally, the Committee chair considers it inappropriate to do so.
- 4.3 A resolution in writing signed by all Committee members shall be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next Committee meeting.

5. DUTIES AND RESPONSIBILITIES

The Committee shall carry out the following duties for the Company and its subsidiaries (**Group**) as a whole (subject to overlap with the Audit Committee) and advise the Board appropriately:

The Committee shall:

- 5.1 Advise the Board on the PIDG Group's overall risk appetite, tolerance and risk management strategy on an aggregated basis as well as by PIDG Company, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities.
- 5.2 Oversee and advise the Board on the current risk exposures of the PIDG Group and future risk strategy.

- 5.3 Working with the Investment Committee, advise the Board on the efficient and productive allocation of capital within the Group, and monitor the use of capital by EAAIF and GuarantCo to ensure that it is optimally allocated to meet any applicable regulatory and risk requirements and benchmarks.
- 5.4 Advise the Board on the PIDG Group's asset and liability management and treasury risk management processes and limits.
- 5.5 Recommend to the Board the risk framework and risk policies that will apply to the PIDG Group and PIDG companies. Assess the risk culture and conduct of the PIDG Group.
- 5.6 Through the company secretary, work with all other committees of the Board where their work has risk management implications.
- 5.7 In relation to risk assessment and subject to overlap with the Audit Committee:
- keep under review the Group's overall risk assessment processes that inform the Board's decision-making, ensuring both qualitative and quantitative metrics are used;
 - review regularly and approve the parameters used in these measures and the methodology adopted;
 - set a standard for the accurate and timely monitoring of large exposures and certain risk types of material significance to the performance of the Group;
 - assess Group compliance against established policies that fall within the remit of the Committee on at least an annual basis;
 - keep under review the effectiveness of the PIDG Group's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report and accounts concerning internal controls and risk management; and
 - the respective chairs of the Audit Committee and Risk Committee would agree how any overlapping matters are addressed to prevent duplications.
- 5.8 In relation to the portfolio review:
- monitor portfolio risk, including concentration risk, credit risk, market risk and HSES risk, including by reviewing credit information and minutes of meetings of relevant committees of the Group's subsidiaries or their boards, including the credit committees of EAAIF, GuarantCo and GMC; and
 - review any deterioration in the portfolio and, if necessary, refer matters to the Company's Credit Committee.
- 5.9 In relation to new product review:
- make recommendations, including requiring further due diligence or referring proposals to other committees; or
 - approve proposed new products.
- 5.10 Review the Group's capability to identify and manage new risk types, in conjunction with the Audit Committee.
- 5.11 Before a decision to proceed is taken by the Board, advise the Board on proposed strategic transactions (from a risk perspective) or any complex or novel initiatives, 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 PIDG Group, and taking independent external advice where appropriate and available.

- 5.12 Review reports on any material breaches of risk limits and the adequacy of proposed action.
- 5.13 Review and monitor compliance with Group level IT security, business continuity and incident management plans, ensuring the adequacy of the PIDG companies plans.
- 5.14 On behalf of the Board, carry out a robust assessment of the PIDG Group's emerging and principal risks and provide a statement for inclusion in the annual report that the Board has completed this assessment, providing a description of its principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are managed or mitigated.
- 5.15 Review regular reports from the PIDG CRO in respect of the adequacy and effectiveness of the PIDG Group's anti-money laundering systems and controls.
- 5.16 Review regular reports from the PIDG CRO and keep under review the adequacy and effectiveness of the PIDG Group's risk and compliance function.
- 5.17 Review the market risk exposure of the PIDG Companies in aggregate against policy limits and appetite.
- 5.18 Support the Audit Committee's oversight over the prevention of fraud and bribery.
- 5.19 Consider and approve the remit of the risk management function and whether it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The committee shall also monitor whether the function has adequate independence.
- 5.20 Provide input into the appointment and/or removal of the PIDG CRO to the Board and review the PIDG CRO's performance.
- 5.21 Determine the nature, scope, format and frequency of the information to be provided by the PIDG CRO on risk strategy and risk management. Review promptly all reports on the PIDG Group from the CRO.
- 5.22 Review and monitor management's responsiveness to the findings and recommendations of the PIDG CRO.
- 5.23 Ensure the PIDG CRO shall be given the right of unfettered direct access to the Committee chair and to the Committee.
- 5.24 Provide the NGRC, as requested, with appropriate risk-based feedback on the performance of PIDG Executives, including any material risk matters relevant to performance objectives.
- 5.25 Carry out such other duties as may be delegated to it by the Board from time to time.

6. REPORTING AND DISCLOSURES

The Committee shall:

- 6.1 Review the reporting of key risks in the annual report and accounts and any half-yearly report, ensuring it is consistent with the internal reporting of key risks.
- 6.2 Consider any necessary disclosure implications of the process applied by the Board to deal with material internal control aspects of any significant problems disclosed in the annual report and accounts.

- 6.3 Report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities (including any matters on which the Board has requested the Committee's opinion or recommendation).
- 6.4 Prepare a formal report on its activities for inclusion in the Company's annual report (or equivalent Owner-Members reporting), which shall include: (i) details of Committee membership, meetings held and attendance; (ii) a summary of the role and work of the Committee; (iii) how the Committee's performance evaluation was conducted; (iv) the significant issues considered and how they were addressed; (v) confirmation that the Board has carried out a robust assessment of emerging and principal risks, a description of those risks and how they are managed and mitigated; (vi) any other information requirements the Board has determined the Company will follow (whether under the Code, the Wates Principles or its own governance framework); and (vii) any other issues on which the Board has requested the Committee's opinion.
- 6.5 Make these terms of reference available by placing them on the Company's website (or Owner-Members portal, as applicable).

7. ENGAGEMENT WITH OWNER-MEMBERS

- 7.1 The Committee chair shall attend the Annual Owner-Members Meeting to answer any questions on the Committee's activities and areas of responsibility.

8. AUTHORITY

The Board authorises the Committee to:

- 8.1 Have unrestricted access to the Company's documents and information reasonably required to carry out its duties.
- 8.2 Seek any information it requires from any employee of the Group to perform its duties.
- 8.3 Call any employee of the Group to be questioned at a Committee meeting as and when required, and all employees are directed to co-operate with any request made by the Committee.
- 8.4 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.
- 8.5 Delegate any matter or matters to another committee or person(s) as it deems appropriate, save that any sub-delegation of a substantive risk-oversight duty shall be notified to the Board, and the Committee shall remain accountable to the Board for any matter so delegated.
- 8.6 Where a disagreement arises between the Committee and the PIDG Board, sufficient time shall be allowed for the matter to be discussed with a view to reaching a resolution. Where the disagreement cannot be resolved, the chair of the Committee may, where appropriate, request that the nature of the disagreement and the Committee's position be formally recorded in the PIDG Board minutes. Any further reporting or public disclosures shall be considered in accordance with applicable legal, regulatory, and governance requirements.
- 8.7 Collectively and individually have direct access to the CEO.

9. GENERAL MATTERS

The Committee shall:

- 9.1 Consider other duties determined by the Board from time to time.
- 9.2 Oversee any investigation of activities within its terms of reference.
- 9.3 Have access to sufficient resources to carry out its duties, including access to the company secretary for assistance and advice as required.
- 9.4 Be provided with appropriate funding to obtain advice and assistance from internal or external legal, accounting or other advisers, at the Company's expense, without the prior approval of the Board, up to a maximum cost of £10,000 per engagement; any engagement expected to exceed this threshold shall require the prior approval of the Board chair or the Board.
- 9.5 Be provided with appropriate and timely training, in the form of an induction programme for new members and on an ongoing basis for all members. Individual training needs shall be discussed and agreed with the company secretary.
- 9.6 Give due consideration to all applicable laws and regulations, in particular the directors' duties contained in the Companies Act 2006 (including the duty under section 172 to promote the success of the Company having regard to the interests of stakeholders), any applicable corporate governance statement obligations under the Companies (Miscellaneous Reporting) Regulations 2018, and the provisions of the Code, Financial Reporting Council guidance on risk management and internal control, and/or the Wates Corporate Governance Principles for Large Private Companies, to the extent adopted by the Board as the Company's chosen governance framework.
- 9.7 Work and liaise as necessary with all other Board committees, taking particular account of any delegation of risk management and internal control matters to different committees, and ensure interaction between the Committee and the Board is reviewed regularly.
- 9.8 Arrange for annual review of its own effectiveness and performance (which may be incorporated into a wider Board and committee evaluation), including externally facilitated evaluation at appropriate intervals, and, at least annually, review these terms of reference and recommend any changes to the Board for approval.