

WORKSPACE GROUP PLC

APPROVED TERMS OF REFERENCE OF THE RISK COMMITTEE

ESTABLISHED BY THE BOARD ON 9 SEPTEMBER 2020

1. Purpose

1.1. The Risk Committee is a Committee of the Board of Workspace Group PLC.

2. Membership

2.1. The Committee shall be appointed by the Board following recommendations by the Nomination Committee and shall comprise of at least two members, all of whom shall be independent Non-Executive Directors. Membership shall include the Chair of the Audit Committee. Members shall have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy.

2.2. Appointments to the Committee shall be for a period of up to three years. This may be extended twice up to a maximum of nine years, so long as members continue to meet the criteria for membership of the Committee.

2.3. Only members of the Committee have the right to attend Committee meetings. The Committee may at its discretion invite any other persons to attend all or part of its meetings as appropriate.

2.4. The Board shall appoint the Committee Chair who shall be a Non-Executive Director (except that the Chair of the Audit Committee may not also be the Chair of the Risk Committee). In the absence of the Committee Chair, the remaining members present shall elect one of their number to Chair the meeting.

3. Secretary

3.1. The Company Secretary or his or her nominee shall act as the secretary of the Committee.

4. Quorum

4.1. The quorum necessary for the transaction of business shall be two members. 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.

5. Frequency of meetings

5.1. The Committee shall meet at least four times a year and at such times as required.

5.2. The Committee may hold meetings by telephone or using any other method of electronic communication and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Chair of the Committee.

6. Notice of meetings

6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.

6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to the Committee members and to other attendees as appropriate, at the same time.

7. Minutes of meetings

7.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2. Draft minutes of the Committee meetings shall be distributed promptly to the Chair of the Committee. Once approved, minutes should be distributed to all members of the Committee and made available to all other members of the Board unless a conflict of interest exists.

8. Annual General Meeting

8.1. The Committee Chair should attend the annual general meeting to answer shareholder questions on the Committee's activities. In addition, where appropriate the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

9. Duties

9.1. The Committee shall carry out the duties below for Workspace Group PLC, and its group as a whole, as appropriate.

Risk appetite, tolerance and strategy

The Committee shall:

9.2. Advise the Board on the Company's overall risk appetite, tolerance and strategy, and the principal and emerging risks the Company is willing to take in order to achieve its long-term strategic objectives.

9.3. Advise the Board on the likelihood and the impact of principal risks materialising, and the management and mitigation of principal risks to reduce the likelihood of their incidence or their impact.

- 9.4. Advise the Board on the risk aspects of proposed changes to strategy and strategic transactions including acquisitions or disposals, procuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on implications for the risk appetite, tolerance and strategy of the Company, and taking independent external advice where appropriate and available.

Narrative reporting

The Committee shall carry out the following duties to assist the Board in fulfilling its reporting responsibilities in the annual report:

- 9.5. In connection with the Company's control systems-
- 9.5.1. Keep under review the effectiveness of the Company's internal controls (with the exception of the company's internal financial controls which remain the responsibility of the Audit Committee) and risk management systems and review and approve the statements to be included in the annual report concerning such internal controls and risk management.
 - 9.5.2. Review reports on any material breaches of internal controls (other than financial controls) and the adequacy of proposed action.
- 9.6. Review the Company's procedures to manage or mitigate principal risks and to identify emerging risks, to assist in the Board's assessment of principal and emerging risks.
- 9.7. Review and assess the Company's risk appetite and associated stress testing.
- 9.8. Evaluate the Company's principal risks, to be taken into account by the Board when assessing the Company's prospects.

Internal controls and risk management systems

- 9.9. Oversee and advise the Board on the current risk exposures of the Company and future risk strategy.
- 9.10. In relation to risk assessment -
- 9.10.1. Keep under review the adequacy and effectiveness of the Company's overall risk assessment processes that inform the Board's decision making, including the design, implementation and effectiveness of those systems.
 - 9.10.2. Set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
- 9.11. Review the ability of the Company's risk management and internal control systems to identify the risks facing the Company and enable a robust assessment of principal risks.
- 9.12. Review the Company's capability to identify and manage new risk types.

- 9.13. Review the adequacy and robustness of controls relating to the Company's IT systems (other than financial IT systems).
- 9.14. When requested, review and provide advice to the Audit Committee on the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system.
- 9.15. Review the effectiveness and relative costs and benefit of particular controls.
- 9.16. Review the effectiveness of management's processes for monitoring and reviewing the effectiveness of risk management and internal control systems and procuring corrective action is taken when necessary.
- 9.17. Evaluate the Company's ability to reduce the likelihood of principal risks materialising and the impact on the business of risks that do materialise.
- 9.18. Review the Company's procedures for preventing and/or detecting fraud.
- 9.19. Review the Company's procedures for the preventing and/or detecting of bribery and monitor the reports generated by the procedures.
- 9.20. Consider all new conflicts or potential conflicts of which the Company Secretary is advised and recommend to the Board whether the situation should be authorised and on what terms.
- 9.21. Consider and approve the remit of the Risk Management Committee and procure that it has access to adequate resources and appropriate information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also procure that it has adequate independence and is free from management or other restrictions.
- 9.22. Review the Company's statements on internal control systems and risk management (other than financial controls and financial risk management) prior to endorsement by the Board and inclusion in the Annual Report.

10. Reporting responsibilities

- 10.1. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall produce a report of its activities and the Company's risk management and strategy to be included in the Company's annual report.

11. Other matters

The Committee shall:

- 11.1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 11.2. 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.
- 11.3. Give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate.
- 11.4. Oversee any investigation of activities which are within its terms of reference.
- 11.5. Work and liaise as necessary with all other Board Committees, procuring that interaction between Committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls on the work of other Committees.
- 11.6. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to enable it to operate at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. Authority

The Committee is authorised to:

- 12.1. Undertake any activity within its terms of reference.
- 12.2. To seek any information, if required, from any officer or employee of the Company.
- 12.3. Request the attendance of any employee, contractor, consultant, or other external provider of services or advice to the Company, at a meeting of the Committee, as and when required.
- 12.4. To obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.