

Group Risk and Compliance Committee Terms of Reference

Number of committee members	Up to four members.	
Membership	The Risk and Compliance Committee will comprise two to three non-executive directors, one to two independent members and up to two co-optees.	
Quorum	Three (including one Aster Overlap Board director) and executives in the minority	
Frequency of meetings	Bi-monthly. Emergency meetings are to be called by the chair. The chair will work with the company Secretary to set a convenient date within two weeks.	
Appointment of committees	Members are appointed by the Aster Group Ltd Board to serve for three years.	
Chair	The chair is appointed by the Aster Group Ltd Board and serves for a fixed term of one year.	
Reporting	Minutes of the Committee will be submitted to the next Aster Overlap Boards meeting subsequent to ratification by the committee chair. An annual report will be presented on the Committee's work during the year.	
Accountability	The Committee is established as a sub-committee of the Aster Overlap Boards and all Group members. The functions set out in these Terms of Reference are also delegated to the Committee by the subsidiary boards.	
Employee attendance and deputies (in addition to minute-taker)	Employee attendance required	Deputy
	Group strategic change director	Yes
	Head of governance and assurance	Yes
	The Group Risk and Compliance Committee positively encourages attendance from executives	

1 PURPOSE

- 1.1 The overall role and purpose of the Aster Group Risk and Compliance Committee will be to ensure that Aster has an effective risk framework and ability to manage all risks. The Group Risk and Compliance Committee will assure the Overlap Boards that Aster's operations comply with legal and regulatory requirements in all the sectors within which it operates

2 MAIN RESPONSIBILITIES

- 2.1 The Committee has delegated authority to exercise the powers of the Aster Group Overlap Boards and subsidiary boards in relation to the following matters;

3 RISK FRAMEWORK

- 3.1 Develop and implement Aster Group's overall risk management framework and processes, adopting quantitative and qualitative risk assessment measures and recommend material changes to the Board of Aster Group Ltd.
- 3.2 To advise the Overlap Boards on the risk attitude and risk appetite/tolerance they should adopt, taking account of the external macro-economic and financial environment.
- 3.3 Provide assurance to the Audit Committee that the risk management framework is embedded in the organisation.
- 3.4 Ensure there are systematic risk assessment processes within the business and timely reporting.
- 3.5 To consider Aster's risk register and adequacy of mitigating actions and report to the Overlap Boards.
- 3.6 To consider whether there are any implications of any sector risk reviews/lessons learned reports etc. and ensure these are incorporated into the organisation's risk assessment/register.

4 COMPLIANCE FRAMEWORK

- 4.1 Develop and implement Aster Group's overall compliance management framework and processes and recommend material changes to the Board of Aster Group Ltd.
- 4.2 To review changes to statutory standards, codes of practice, regulations, and legislation, and their applicability to Aster Group activities, including but not limited to Homes and Communities Agency, Care Quality Commission, Charities Commission and health and safety. Report implications to the Overlap Boards and/or the relevant committees.
- 4.3 To receive and review regular reports from the Group Leadership Team on compliance with all statutory requirements and regulatory standards.
- 4.4 Receive reports on regular reviews/audits from the different regulators and ensure on-going compliance liaising with the Audit Committee if applicable. Consider all other reports from regulatory bodies.
- 4.5 Be informed of breaches of regulatory standards and actions taken to mitigate and manage their impact, and ways to rectify failings. Advise the Overlap Boards and/or Audit Committee on the impact of such.
- 4.6 Review and or oversee registration of Group, RP's and Group Members and make recommendations to the Overlap Boards.

5 RISK ASSESSMENT

- 5.1 Oversee and advise the Board on the current risk exposures of

the Aster Group and implications for its future risk strategy.

- 5.2 To review reporting measures adopted by the Aster Group in managing business risks.
- 5.3 Provide oversight of insurance arrangements, including monitoring of insurance claims history, procedures for dealing with insurance provisions and making appropriate recommendations to the Board.
- 5.4 Regularly review and approve the methodology for assessing risk and parameters used.
- 5.5 Identify those risks of critical importance including material third party transactions and the cumulative risk scenarios that will 'break the business' and how to assess their impact on the business.
- 5.6 To review reports on any material breaches of risk limits and the adequacy of proposed action.
- 5.7 Ensure the Aster Group has the capability to identify and manage new risk types, in conjunction with [reporting to] the Audit Committee.
- 5.8 Advise the board on proposed strategic activities, including acquisitions or disposals, ensuring appropriate appraisal and due diligence appraisal of risk implications, with independent, external advice as required.
- 5.9 Gain assurance from the Executive Board that the business continuity plans are robust and tested.

6 HEALTH AND SAFETY

- 6.1 To consider management's action plans for mitigating health, safety and environmental risks.
- 6.2 To receive and review regular reports from the Group Leadership Team on health, safety and environmental risks, including compliance with statutory and regulatory requirements.
- 6.3 In the event of a serious injury, fatality, or incidents that are defined as serious detriment by the Regulator, be kept informed of the circumstances and the measures being taken after the event.

7 POLICIES AND REGISTERS

- 7.1 The following policies and registers will be reviewed and approved by the Risk and Compliance Committee:
 - i Risk Framework
 - ii Compliance Framework
 - iii Business continuity policy

- iv Data protection policy
- v Legal action register