Yorkshire Building Society - Board Risk Committee Terms of Reference

Role	The Board Risk Committee ('BRC' or 'the Committee') is a Committee of the Board of Yorkshire Building Society from which it derives its authority. Its role is to oversee Risk Strategy, Appetite and Oversight for the key risks which the Society faces, including Prudential, Operational and Conduct Risks, ensuring regulatory compliance and supporting the success, including the long-term success, of the Society. The Board may determine that any matter delegated to the Committee by these terms be considered, reviewed, overseen, approved or otherwise dealt with (as appropriate) by the Board itself. In providing oversight of the responsibilities in these terms of reference, the Committee will have regard to the interests of the Society's stakeholders and, in respect of customers and investors, shall (where appropriate) consider whether the Society as a whole are delivering good customer outcomes.
Membership	The Committee will comprise of at least three independent Non-Executive Directors. Members of the Committee will collectively add appropriate knowledge, expertise and professional experience concerning risk strategy and management. Appointments to the Committee are made by the Board on the recommendation of the Board Governance and Nominations Committee, in consultation with the Chair of the Committee, based on the criteria for membership and will be reviewed at least annually.
Chair	The Board will appoint the Committee Chair who will be an independent Non-Executive Director. In the absence of the Chair, or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
Secretary	The Secretary of the Committee will be agreed between the Chair of the Committee and the Group Secretary. The Secretary of the Committee shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all members of the Committee and attendees, as appropriate, taking into account any conflicts of interest that may exist.
Attendees	Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, Chief Risk Officer, Chief Operating Officer, Chief Financial Officer, Chief Customer Officer, Chief Internal Audit Officer and External Audit Partner may be invited to attend for all or part of any meeting, as and when appropriate. The Chair of the Board will be invited to attend each meeting of the Committee except where a conflict of interest may arise. In addition, attendance will be open to all Non-Executive Directors who are not members of the Committee, when appropriate.
Frequency	The Committee will normally meet four times a year at appropriate times and otherwise as required. Meetings of the Committee will be called by the Secretary of the Committee or the Group Secretary at the request of its members.
Quorum	The quorum necessary for the transaction of business will be: • Two members if the number of members who constitute the Committee is three. • Three members if the number of members who constitute the Committee is four or more. 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. In the event of equal votes the Chair of the Committee shall have a casting vote.
Written Resolutions	Written resolutions must be undertaken in accordance with the requirements set out in the Society's Rules with written consent required from all Committee members for approval.
Mandate	The Committee is authorised to: 1. Seek any information it requires from any employee of the Group in order to perform its duties. 2. Obtain, at the Group's expense, outside legal or other professional advice on any matter within its terms of reference. 3. Call any employee to attend a meeting of the Committee as and when required. 4. Have the right to publish in the Society's Annual Report details of any issues that cannot be resolved between the Committee and the Board. 5. Approve (ahead of Board approval where relevant) risk strategy and risk appetites for the Group that mandate it to achieve a Board approved Plan whilst protecting outcomes for stakeholders. 6. Oversee all major risks to the Group including (where appropriate) those matters under the Senior Managers & Certification Regime, including safeguarding the independence and overseeing the performance of the Risk and Compliance functions. 7. Provide advice, oversight and challenge necessary to embed and maintain a supportive risk culture throughout the Group. The Committee may delegate any or all of its powers and authority as it sees fit, including to a Sub-Committee, in relation to specific issues and subject to reporting back to the Committee.

	The Committee is required to exercise independent judgement when evaluating the advice of external third parties and when receiving views from Executive Directors, Chief Officers and other senior managers. The Committee Chair and Society Secretary are authorised by the Board to review and approve any non-material change required to be made to the Committee's Terms of Reference. Any such change should be reported to the Board.
Responsibilities	The Committee will carry out the duties below for the Society and the Group as a whole, as appropriate, and in respect of section 4.1 for Accord Mortgages. The Committee will support the Board, where appropriate and required, in fulfilling the Board's duty to i. be accountable to members of the Society, and ii. ensure the short and long-term interests of members are balanced. **1. Duties** 1.1. Monitoring: • CRO Quarterly Report 1.2. Approving: • Enterprise Risk Management Framework (ERMF), Governance Framework and Three Lines of Defence Model Framework, including the delegation of approval for specific elements of the ERMF to the Executive Risk Committee, Chief Risk Officer or any other individual or body as the Committee determines appropriate. • Governance, Risk and Control Strategy • Any Risk-related Policies (subject to 2.2) on the recommendation of the Executive Risk Committee or any other Executive-level Committee, including but not limited to: Data Management and Information and Cyber Security • Second Line of Defence ('LoD') Oversight Plans (Compliance and Conduct, Prudential, Operational) • Receive periodic management reports regarding the risk profile associated with any significant change project or strategic transactions (e.g. Mergers/Acquisitions), ensuring that a due diligence appraisal of any proposal is undertaken where appropriate, focusing on risk aspects and implications for the risk appetite and tolerance of the Group • Overall levels of Corporate Insurance, including Directors and Officers Liability • Delegation of mandates to Sub Committees 1.3. Oversight: • Risk Management and internal control systems, excluding internal financial controls • Second LoD Monitoring (Compliance and Conduct, Prudential, Operational) • Management of the financial risks from climate change • Operation of the IRB Rating System • The requirements of the FCA's Consumer Duty • Risk related to the Group's Pension strategy and arrangements • Tax risk related to the Group's overall tax strategy • The Group's approach to the Resolvability Assessment Framework (RAF) and Resolvability status • Periodic investigative deep dives into Tier One risks and ad hoc areas • Ensure that the Chief Risk Officer is given the right of direct access to the Board and to members of the Committee 1.4. Reviewing: • Reviewing and recommend to the Board Audit Committee, the Risk Management Report for inclusion in the Annual Report and Accounts. • Reviewing the Annual Report of the Money Laundering Reporting Officer **2. Recommendations to the Board** 2.1. Board Level risk appetite statements, metrics and limits 2.2. Risk Policies and Frameworks: o Policies and frameworks aligned to the Tier 1 Risks of the Society as set out in the Enterprise Wide Risk Management Framework o Financial Crime o Fire, Health & Safety o Procurement, Outsourcing and Third-Party o Tax 2.3. Regulatory Capital (ICAAP) (including Reverse Stress Tests) 2.4. Regulatory Liquidity (ILAAP) 2.5. Recovery Plan

	2.6. Risk Appetite Adherence 2.7. Operational Resilience Important Business Services and Impact Tolerances 2.8. Operational Resilience Self-Assessment 2.9. Annual Consumer Duty Assessment 2.10. Approval of borrowing or lending propositions which fall outside of the Society's normal business or risk appetite 2.11. The appointment and removal of the Chief Risk Officer **3. Reporting Responsibilities** The Committee shall: 3.1 Report formally to the Board through the Committee Chair on its proceedings after each meeting in respect of all relevant matters within its duties and responsibilities. 3.2 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. 3.3 Report to the Board on how it has discharged responsibilities which will be included in the Group's Annual Report and Accounts. **4. Senior Managers Regime Prescribed Responsibilities** 4.1 The Committee shall assist the Senior Management Function (SMF) role holder in relation to the escalation of their Prescribed Responsibilities for the Committee in relation to: o Prescribed Responsibility k - SMF Holder: Chair of Board Risk Committee Responsibility for a) safeguarding the independence of, and b) oversight of the performance of the risk function in accordance with SYSC 6.1 (Compliance) o Prescribed Responsibility l - SMF Holder: Chair of Board Risk Committee Responsibility for a) safeguarding the independence of, and b) oversight of the performance of the risk function in accordance with SYSC 7.1.21R and SYSC 7.1.22R (Risk Control) **5. Other Matters** 5.1 The Committee Chair, or a deputy from the Committee membership, will attend the Annual General Meeting to answer members' questions on the Committee's activities or any matter within the remit of the Committee. 5.2 The Committee Chair, in consultation with the Board Audit Committee Chair, will consider management's analysis and recommendations relating to the Business Control Overlay process. The Committee Chair will provide input to the Board Remuneration Committee (RemCo) and support RemCo in its assessment of the potential impact on variable remuneration adjustments. The Committee shall: 5.3 Review and maintain ongoing oversight of specific issues relating to the Society's arrangements for its employees and contractors to raise concerns in confidence, including whistleblowing, where delegated by the Board. 5.4 Give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code (the Code) and the requirements of the Financial Conduct Authority's Listing Rules, and Disclosure Guidance and Transparency Rules, the Building Societies Act 1986 and any other applicable Rules, as appropriate and applicable to a Building Society. This will include having regard to the various matters set out in Section 172 of the Companies Act 2006 in promoting long-term the success of the Society where relevant as set out in the Code and applicable to a Building Society. 5.5 Annually arrange for reviews of its own effectiveness and, at least annually, review its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval. 5.6 Make available its terms of reference explaining clearly its role and the authority delegated to it by the Board. 5.7 Ensure that all new members receive an introduction tailored to their requirements on joining the Committee. 5.8 Work and liaise as necessary with all other Board committees as required. 5.9 Monitor the effectiveness of any BRC Sub Committees and approve any changes to their Terms of Reference.
Sub Committees	Executive Risk Committee (ERC). ERC has delegated authority from BRC to ensure the Society's balance between seeking opportunity and managing risk is appropriate: • Determining and amending the Society's attitude to risk and setting thresholds for endorsement by BRC and Board. • Ensuring that controls are adequately designed and effective to keep the Society within those thresholds. • Monitoring and reviewing the risk exposures of the Society in accordance with the Enterprise Risk Management Framework, Risk Appetite, Group Strategy and the Corporate Plan. • Overseeing that the Society operates compliantly.

	• Ensuring clear reporting of risk exposures to BRC and Board.
Date of Approval	March 2026 (with subsequent approvals under delegated authority in May 2026)