

1. Introduction

1.1 The Risk Oversight Committee (“ROC”) has been established jointly by:

- BDO’s Senior Partner (“SP”) in their role as chair of Oversight Board (“OB”) in accordance with OB’s responsibilities regarding risk¹ and the SP’s role regarding governance²; and
- BDO’s Managing Partner (“MP”) in accordance with the document “Managing Partner - Definition of Role”³.

2. Purpose and Objectives of the Risk Oversight Committee

2.1 The primary purpose of the ROC is to support the firm’s OB in its oversight of the Executive⁴ regarding risk monitoring and management.

2.2 The ROC will also support and challenge the Executive Board (“EB”) in respect of the firm’s risk monitoring and management and support and challenge the profitable growth of the firm through the effective management of risk.

2.3 In performing this dual role, these Terms of Reference recognise that while the ROC is an oversight body, OB has limited ability to action items; however it is connected to the EB through the ROC including within its membership executive members⁵.

2.4 The independence of the ROC is preserved through its composition including a majority of non-executive members, and the chairmanship being held by an independent non-executive.

2.5 The ROC also provides a forum for discussion of the monitoring and management of risk including in relation to major programmes within the firm.

2.6 In fulfilling its purpose the ROC shall give due consideration to:

- upholding the integrity, brand and reputation of BDO;

¹ See page 4 of OB’s Terms of reference regarding Quality & Risk.

² See page 1 of SP Definition of Role document, page 1.

³ “Develops organisational plans for appropriate structures and bodies that report into the Executive Board that assist in the delivery of the firm’s vision and strategy from a strategic, tactical and operational perspective”- page 2.

⁴ That is the firm’s Executive Board and the executive bodies that report to EB.

⁵ In these Terms of Reference distinctions are made between executives and non-executives and between independent non-executives and other non-executives. Executives are members of the EB or any of the executive bodies that report into the EB. Non-executives are those individuals appointed to an oversight body and who are not members of an executive body over whom that oversight body exercises oversight. Independent non-executives are those individuals appointed to a firm’s governance bodies, not being partners in BDO, as set out in Appendix A to the Audit Firm Governance Code (2022). Other non-executives are partners in BDO.

- balancing the interests of various stakeholders (employees, partners and clients of the firm, regulators and the public at large);
 - the firm's purpose and values; and
 - the firm's obligations and commitments as a firm within the BDO Network.
- 2.7 The ROC's objectives are to be aligned with BDO's purpose, vision, and strategic goals and in particular the Strategic Initiatives and all associated Priorities set out in the Strategy Refresh.

3. Responsibilities

- 3.1 The ROC's responsibilities are as follows.

Risk Strategy, Framework and Profile

- 3.2 Overseeing the development of an appropriate Risk Strategy taking account of the firm's current and emerging risk profile and culture.
- 3.3 Assessing the effectiveness of the management of risk across the Three Lines of Defence, including accountability and responsibility for risk management and controls.
- 3.4 Overseeing the processes for determining risk appetite, translating to tolerances, and reporting on out-of-appetite situations, in particular (but not exclusively) by reference to the Enterprise Risk Management framework.
- 3.5 Reviewing and assessing the adequacy and effectiveness of the firm's risk management and internal control framework, and monitoring management's review of its effectiveness – particularly the work undertaken by the Quality and Risk Executive ("QRE") and the EB. This includes, at least annually, reviewing and challenging the Enterprise Risk Management framework and the Internal Controls framework, including the Enterprise Risk Management Policy, the Risk Assessment Methodology, and the Risk Appetite Statement.
- 3.6 Reviewing and challenging the Principal Risks, including the risk drivers and risk appetite for each Principal Risk, as presented to the ROC by the EB collectively and the Principal Risk Owner members of EB individually.
- 3.7 Overseeing processes for identifying and assessing emerging risks.
- 3.8 Overseeing the firm's approach to Resilience.
- 3.9 Receiving reports from the QRE on significant risk events that impact or have the potential to impact the firm's risk profile and considering the impact of significant risk events on the firm and its risk profile.

- 3.10 Reviewing and overseeing any other risk matters as requested by the QRE, EB or OB.

Quality and Risk Executive

- 3.11 Overseeing QRE to ensure it performs its duties effectively.
- 3.12 Ensuring QRE acts in line with its Terms of Reference and delegated authorities, focusing on the coverage of scope and effectiveness in performing its functions.
- 3.13 Receiving a risk update from QRE at each scheduled meeting to understand its activities and key decisions.
- 3.14 Being consulted on appointments to senior quality and risks management positions within the firm, including Head of Quality and Risk, the Money Laundering Reporting Officer (“MLRO”), Head of the Quality and Risk Management Team and quality and risk leads for stream executives.

Internal Audit

- 3.15 Approving the appointment or termination of appointment of the Head of Internal Audit.
- 3.16 Reviewing and approving the role and remit of Internal Audit and annually approve the Internal Audit Charter ensuring it is appropriate for the current needs of the firm.
- 3.17 Approving the annual Internal Audit plan, ensuring that it is aligned to the risk profile of the firm.
- 3.18 Ensuring that Internal Audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its remit and is equipped to perform in accordance with appropriate professional standards for internal auditors.
- 3.19 Reviewing reports and updates from Internal Audit, including management responses and implementation of recommendations, together with any significant discussion points / actions arising from the QRE’s review of Internal Audit reports and updates.
- 3.20 Reviewing recommended actions in response to Internal Audit findings, together with any significant discussion points/actions arising from the QRE’s review.
- 3.21 Receiving reports on the status of Internal Audit actions, together with any significant discussion points/actions arising from the QRE’s review.

- 3.22 Reviewing, at least annually, the role and effectiveness of Internal Audit, and periodic consideration of whether an independent, third-party review is appropriate.

Professional and legal regulatory requirements

- 3.23 Receiving and reviewing the annual report of the firm's MLRO.
- 3.24 Receiving and reviewing the annual report of the firm's Ethic's Partner.
- 3.25 Regularly receiving and reviewing the reports shared with QRE by the firm's Ethics Partner together with any significant discussion points / actions arising from the QRE discussion.
- 3.26 Reviewing and challenging the firm's arrangements for regulatory compliance, including but not limited to International Standard on Quality Management (UK) 1 and the Quality Control Standard (QC1000).
- 3.27 On an annual basis, receiving a copy of the EB's evaluation of quality management systems and reviewing and challenging the process undertaken by the EB to evaluate the firm's systems of quality management.

COBRA and Business Continuity Planning ("BCP")

- 3.28 Receiving regular updates from the firm's COBRA Committee on significant risk matters affecting the firm, including how these are being addressed and potential outcomes.
- 3.29 Receiving updates from the QRE on the firm's approach to BCP, and to challenge its overall BCP on an annual basis.
- 3.30 Receiving a report from the QRE on the review and testing of the firm's BCP procedures on an annual basis.

4. Authority

- 4.1 These Terms of Reference have been approved by EB and OB.
- 4.2 The ROC and its members have duly delegated authority to carry out their responsibilities as set out in these Terms of Reference.

5. ROC Composition

- 5.1 The ROC shall include in its membership at least one of BDO's independent non-executive directors, proposed by the BDO's Public Interest Committee ("PIC") to

BDO's Nominations Committee ("NomCo"), who shall act as the Head of the ROC ("HROC").

- 5.2 The HROC holds their position for a period of three years, renewable for a further period of three years on the recommendation of the NomCo.
- 5.3 The ROC shall also include the EB member responsible for Quality & Risk. If a different person holds the role equivalent to the Chief Risk Officer, that person shall also be a member of the ROC.
- 5.4 The ROC shall also include the EB member whose responsibilities include regulation & public policy.
- 5.5 The ROC shall also include the Chair of the Audit Committee.
- 5.6 The HROC shall, in consultation with the SP and MP propose the other members of the ROC to the NomCo. Members of the ROC shall have appropriate knowledge, skills and expertise to fully understand the firm's business model, risk strategy, risk profile and risk appetite, and where non-executive members of ROC, be sufficiently independent.
- 5.7 Members of the ROC, other than those that are members by virtue of their role, shall serve for a period of up to three years. Extendable for a further period of up to three years on the recommendation of the NomCo.
- 5.8 The Senior Partner, following discussion with the HROC (unless the HROC's role is under discussion, in which case following discussion with the MP) and agreement from the NomCo shall be entitled to remove any member of the ROC.
- 5.9 Replacement members of the ROC will be proposed by the HROC in consultation with the SP and MP to the NomCo.
- 5.10 There is no limit on the number of members of the ROC nor minimum number save that there must always be a majority of non-executive members.
- 5.11 The HROC shall chair the ROC.
- 5.12 The HROC's responsibilities as chair include:
 - effective chairing of meetings of the ROC;
 - determining the order of the agenda for any meetings;
 - ensuring agenda items are consistent with the ROC's responsibilities as set out in these Terms of Reference;
 - ensuring that the agenda clearly sets out the purpose of each agenda item and that the supporting papers provide sufficient detail and clarity for ROC members to carry out their responsibilities appropriately;

- ensuring the ROC's responsibilities are appropriately dealt with in scheduled meetings⁶ of the ROC;
- reviewing the papers for each meeting, assuming they are received sufficiently in advance of the meeting
- ensuring that the ROC receives accurate, timely and clear information;
- ensuring that all ROC members are involved in discussions and decision-making; and
- ensuring that individuals with actions allocated to them by ROC (including ROC members) are held to account for timely delivery of their actions in the ROC action log.

5.13 In the anticipated absence of the HROC, the HROC shall nominate another member of the ROC to be chair. Such member shall not be a member of the Executive.

5.14 Members of the ROC must uphold the highest standards of conduct, including respecting the confidential nature of matters discussed at meetings.

6. ROC Secretary ("ROCSec")

6.1 The ROCSec shall be Huda Gamil or appropriate substitute if required

6.2 In the absence of the appointed ROCSec, a suitable alternative will be supplied from the Governance team.

6.3 The role of the ROCSec shall be to:

- organise meetings of the ROC;
- collate papers for meetings of the ROC;
- ensure that such papers adhere to the minimum standards for oversight meetings set by the EB;
- circulate the agenda and supporting papers by way of a confidential board pack to the ROC at least three days in advance of each scheduled ROC meeting provided papers are received on a timely basis;
- take minutes of meetings of the ROC;
- timeously produce a draft of such minutes and circulate to members of the ROC for comment/approval prior to the next meeting of the ROC;
- provide approved minutes to the Executive secretary of the EB and the OB Secretary; and
- maintain a log of actions arising from ROC meetings.

7. Meetings

Scheduled meetings

⁶ It is not expected that every scheduled meeting deals with all responsibilities listed but each responsibility must be covered at least once every year.

- 7.1 The ROC shall have scheduled meetings at least five times a year.
- 7.2 The ROCSec will ensure that so far as is practicable scheduled meetings take place the week before scheduled OB meetings.
- 7.3 So far as scheduled meetings are concerned, the HROC will prepare the agenda which together with supporting papers will be circulated by the ROCSec to members of ROC three days in advance of the meeting by way of Diligent provided papers are received on a timely basis.
- 7.4 In preparing the agenda the HROC shall be assisted as necessary by the executive members of the ROC and the ROCSec.
- 7.5 The agenda will clearly set out the purpose of each point including whether an ROC decision is required.
- 7.6 The supporting papers should ensure that members of the ROC have a full understanding of the issues to be discussed at the meeting.
- 7.7 A scheduled meeting of the ROC shall be quorate when 50% of members are in attendance - either in person or remotely.
- 7.8 Where a matter is to be decided by the ROC at a scheduled meeting, a vote shall be taken of members present as well as the votes cast by non-attending members who have given the HROC their mandate by email to vote in a particular way, and matters decided by a simple majority of the ROC. Where there is a deadlock the HROC shall have the casting vote.

Ad hoc meetings

- 7.9 The HROC can call an ad hoc meeting of the ROC at any time.
- 7.10 The HROC and ROCSec shall ensure that an agenda and supporting papers are provided as soon as practicable prior to the meeting to ensure that members of the ROC understand the matters to be discussed including whether an ROC decision is required.
- 7.11 An ad hoc meeting of the ROC shall be quorate when 50% of members are in attendance - either in person or remotely.
- 7.12 Where a matter is to be decided by the ROC at an ad hoc meeting, a vote shall be taken of members present as well as the votes cast by non-attending members who have given the HROC their mandate by email to vote in a particular way, and matters decided by a simple majority of the ROC. Where there is a deadlock the HROC shall have the casting vote.

Email meetings

- 7.13 The HROC can call a meeting to decide an issue by email.
- 7.14 The HROC and ROCSec shall ensure that an agenda and supporting papers are provided as soon as practicable prior to the email meeting to ensure that members of the ROC understand the matters to be discussed including whether an ROC decision is required.
- 7.15 Where a matter is to be decided by the ROC at an email meeting, a vote shall be taken of members and matters decided by a vote of 50% of members responding by the date notified by the HROC in the email calling the meeting and decided by a simple majority of the ROC. Where there is a deadlock the HROC shall have the casting vote.

Meetings generally

- 7.16 Members of the ROC have the right to attend any meeting and receive the agenda and papers or in the case of an email meeting receive the agenda and papers.
- 7.17 Other individuals can attend a meeting of the ROC in whole or in part by invitation of the HROC only.
- 7.18 Non-ROC attendees at a meeting do not have any voting rights nor do they have the right to be heard save at the invitation of the HROC.
- 7.19 Subject to the office location of individual members of the ROC, members of the ROC should endeavour to attend meetings in person.
- 7.20 Members of the ROC should declare any conflicts of interest at the commencement of the meeting and then recuse themselves from the discussion and/or vote on any matter relating to the conflict. Any such recusal will not impact the quoracy of the meeting and therefore the validity of any discussion and/or vote and the vote itself will still be determined based on a simple majority, but calculated by reference to the non-conflicted members only.

8. ROC effectiveness and evaluation

- 8.1 ROC members who are partners are subject to their normal yearly performance evaluation. This evaluation shall include their effectiveness on the ROC.
- 8.2 Feedback for the yearly performance evaluation on the effectiveness of each member of the ROC will be provided by the Senior Partner, following consultation with the HROC.

- 8.3 Feedback for the yearly performance evaluation on the effectiveness of the HROC will be provided by at least two ROC members to the SP/MP.
- 8.4 The ROC shall in consultation with the EB/OB conduct an annual assessment of its effectiveness under these Terms of Reference and report any conclusions or recommendations to the EB and OB.
- 8.5 The ROC shall review these Terms of Reference annually and recommend to EB/OB for approval any amendments that may be required.

9. General matters

- 9.1 The ROC shall have access to all relevant BDO partners, staff and information to allow it to discharge its duties.
- 9.2 The ROC shall have access to sufficient resources to carry out its duties.
- 9.3 The ROC shall with the approval of the EB/OB, engage independent professional advice where it judges this necessary in order to allow it to discharge its duties.
- 9.4 When considering a matter or making a decision, the ROC shall give due regard to any relevant legal or regulatory requirements, as well as any guidance or best practice issued by relevant regulatory bodies.
- 9.5 In the event of a disagreement between ROC members, the HROC shall notify the MP/SP of the matter in dispute and discuss with them the potential steps to resolve the matter.

These Terms of Reference were approved by the:

Risk Oversight Committee in February 2026.

Executive Board in April 2026.

Oversight Board in April 2026.