

## **GOVERNANCE AND RISK SUB-COMMITTEE TERMS OF REFERENCE**

### **Responsibilities**

- (a) To oversee all matters relating to governance and compliance within the Group.
- (b) To review and make recommendations to the Executive Committee on Group compliance policies including their effective application throughout the Group.
- (c) To oversee all matters relating to risk management including business risk and reputational risk and, with regard to accidental risk and sustainable development, to oversee the activities of and receive regular reports from the Group Risk Management Council.
- (d) To maintain a strategic overview of the specific risks contained within the three main risk areas through
  - an integrated approach to risk management including review of the GKN risk and internal control procedures, and
  - assessing the impact on the Group's operations of changes in the external regulatory environment.
- (e) To develop and implement an overarching CSR strategy for the Group including the identification of appropriate metrics and benchmarking against external indices and peer companies.
- (f) To advise on and review the content of external reporting including
  - the annual CSR report to shareholders
  - the GKN website
  - other stakeholder communication.