

Treasury Committee Terms of Reference

References to the Board in this document are as defined in the Governance Framework as the coterminous Board acting as the Board of each RP Group entity.

Purpose

The formulation and review of treasury and funding plans (including the management and mitigation of risk)

To exercise all of the delegated authorities (below) on behalf of BHG, BHA, Merlin and BHO.

Membership

Up to 3 Non-Executive Directors and up to 2 Executive or Functional Directors.

The Committee may appoint Advisors as required.

The Committee Chair will be a Non-Executive Director appointed by the Board on the recommendation of the RemsNoms Committee. In the Chair's absence, the remaining members present can elect a Chair, who must be a Non-Executive Director.

The Secretary will be the Company Secretary or their nominee.

Meetings

As required. Meetings usually called by the Secretary at the request of the Chair. Only members of the Committee have the right to attend meetings. Others may be invited to attend for all or part of the meeting.

Agenda and reports to be circulated to Committee Members (and other attendees if appropriate) at least 5 working days before the meeting.

Minutes will record proceedings, resolutions, those present/in attendance and will be circulated to the Committee and all Members of the BHG and Subsidiary Boards.

Confidential items, not for general circulation will be redacted or not circulated as appropriate.

The Committee Chair will be responsible for reporting to the Board on the work of the Committee.

Quorum

2 Non-Executive Directors.

Authority

To act in accordance with its terms of reference taking into account statutory and regulatory requirements and best practice;

To ask for any information it requires from any Bromford colleague in order to perform its duties;

To take external legal or other professional advice on any matter within its terms of reference;

To 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;

To annually review its own performance, composition and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board;

In relation to all the matters for which the Committee has responsibility, the Committee has the power to:

- Approve all documentation which it considers necessary;
- Authorise a signatory or signatories to sign or execute such documentation on behalf of BHG or its subsidiaries;
- Authorise the use of company seals and signatories to attest such seals in relation to such documentation or otherwise to authorise execution of any document requiring execution as a deed; and
- Authorise any person to do any act, matter or thing which the Committee consider in its absolute discretion is appropriate in relation to its powers.

Sub-delegate

The Committee may sub-delegate any of the powers delegated to it to another Committee or colleague.

Duties

Plans and policies

Approve and keep under review, the effectiveness of the following policies:

- The Annual Treasury Plan: This sets out the key plans for treasury activity for the forthcoming year;
- Any additional treasury activity or transactions not included in the Annual Treasury Plan and is required from time to time.

The Committee may from time to time address and approve other policies as delegated by the Board.

Review and make recommendations to the Board:

- The Treasury Strategy for the Group (including risk mitigation and management)
- The Treasury Policy: This sets out the approach in relation to treasury risk appetite, liquidity, investments, borrowing and hedging.

Keep under review, and report to the Board in relation to:

- The adequacy of the Group's liquidity and funding arrangements;
- Compliance with the Treasury Policy;
- The adequacy and preparation of assets available to charge as future loan security;
- Monitoring of significant new initiatives/transactions that could impact treasury management;
- Monitoring of secondary market pricing of Group securities and third party relationships with Rating agencies and the Bond Investor community.

Formally exercise Specific Delegated Authorities (detailed below).

Investor Relations

To manage Investor relations including the sign off the twice yearly Investor Relations update.

Specific Delegated Authorities

To exercise these delegations consistent with the Rules, Business Plans and Policies, the Committee **has the full power to exercise the delegated authorities of the Board** in connection with:

- Approving all treasury activity not approved by the Board;
- Variations to loan agreements and ISDA agreements including but not limited to margins, covenants, 'availability periods', early repayment and reprofiling of repayment terms;
- Variations to loan agreements and ISDA agreements including but not limited to agreeing entry into any type of interest rate hedging transaction including, without limitation, caps, collars, floors, interest rate swaps, forward rate transactions, swap options, extendable and cancellable hedging transactions and any other type of hedging transaction permitted under the relevant legal entity constitution from time to time (together with treasury management arrangements);
- To monitor the charging of security, whether relating to borrowing or treasury management arrangements or for any other reason whatsoever;
- Agreeing to any amendment or variation of any arrangements any Group Member has in relation to the matters referred to in paragraphs above.

Scheme of Delegations

- To facilitate better operational activity, the Committee has approved the following scheme of delegations to delegate routine and lower value activity on the Group's existing loanbook to the CEO, CFO and Director of Treasury within the outlined agreed parameters and limits:

Area	Director of Treasury	Director of Treasury + CFO	Director of Treasury + CFO +CEO	Treasury Committee	Board
Deposits and T-Bills within existing TMP limits <i>Up to £100m/ 50% available cash across T-Bills and deposits > 1 day</i>	Less than 6 weeks	More than 6 weeks and up to 6 months	N/A	Greater than 6 months	N/A

<p>Early repayment of loan facilities</p> <p>Individual loan:</p> <p>Loan repayment SOCI impact</p> <p>Aggregate loans rolling 12 months:</p> <p>Loan repayment SOCI impact</p>	<p>Less than £5m</p> <p>Less than £500k</p>		<p>More than £5m, up to £10m</p> <p>More than £500k, up to £1m</p>	<p>More than £10m, up to £50m</p> <p>More than £1m, up to £5m</p>	<p>More than £50m</p> <p>More than £5m</p>
<p>Exit of complex instruments</p> <p>e.g. ISDAs</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>All</p>	<p>N/A</p>
<p>Amendments to existing loan agreements and security documents and arrangements</p>	<p>Changes</p> <p>do not materially expose the Group to less advantageous terms and conditions</p> <p><i>(better / no worse)</i></p>		<p>N/A</p>	<p>Changes</p> <p>materially expose the Group to any less advantageous terms and conditions</p> <p><i>(worse)</i></p>	<p>N/A</p>
<p>Entry into new facilities and financial instruments</p> <p>Entry into all new facilities and financial instruments such as public bonds, private placements and bank facilities</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>All</p>
<p>Amendment to key treasury governance documentation</p> <p>Documents include Group Treasury Management Policy, Group</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>All</p>

Investment Policy and Group Treasury Strategy						
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