



**ENTERPRISE RISK MANAGEMENT (ERM)
STEERING COMMITTEE
TERMS OF REFERENCE**

Date: March 2023

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Reviewed by:

Reviewed by	Sign Off and Date
ERM Steering Committee	17 th March 2023

1. Constitution

The Argo Group Chief Risk Officer (CRO) has established a Committee to be known as the “ERM Steering Committee” (ERMSC). The Committee has no executive powers other than those specifically delegated in these Terms of Reference.

2. Terms of Reference

2.1. Purpose

The Committee will provide stewardship and steering to developments in the Group’s risk management framework (RMF). The Committee will also champion the adoption of the RMF across the Group and steer improvement programs and projects as they arise.

2.2. Responsibilities

- 1) To provide cross-functional oversight and steering to developments in the Risk Management Framework (RMF) in support of the Group CRO.
- 2) To confirm cross-functional support to an annual ERM action plan and a medium-term risk strategy in support of Argo’s overall risk management policy objectives;
- 3) To act as a project steering committee for major developments to the RMF including responding to new regulatory or credit rating agency requirements. To receive reports on project progress and act as an escalation point for resolution of cross-functional implementation challenges;
- 4) To act as cross-function review and sign-off committee for Group-level risk-based regulatory submissions prior to their formal submission to the Board Risk & Capital Committee (R&CC) for ratification;

- 5) To review proposals from the ERM function for changes to the Group's risk appetite statements and risk tolerance schedule prior to their formal submission to either the Executive Risk Committee (ERC) (for P/L based measures) or the Board R&CC (for Capital based measures) for ratification;
- 6) To periodically receive reports from the ERM function on the effectiveness of the Own Risk & Solvency Assessment (ORSA) process as implemented across the Group;
- 7) To review the Strategic Threats and Opportunities that could potentially impact the overall business risk profile, that should be brought to the attention of the ERC and the Board R&CC;
- 8) To receive reports on new or developing risk-related regulations that may impact the Group and coordinate cross-functional response where appropriate;
- 9) To receive reports from the Sustainability Working Group (SWG) and oversee Argo's approach to Sustainability including its Policy and reporting requirements;
- 10) To receive reports from the Emerging Risk Review Group (ERRG) and agree priority areas for further investigation and reporting to the Board Risk & Capital Committee;
- 11) To receive reports on the stress, scenario and reverse stress testing work completed and provide a cross-functional steer on the appropriateness of management responses taken;
- 12) To receive reports on loss events or near misses occurring within Argo that merit wider discussion to ensure cross-functional learning and to prevent recurrence;
- 13) To receive reports on the adequacy of risk mitigation activities and completion of risk mitigation actions.
- 14) To review RMF procedures and documentation at the request of the CRO;
- 15) To liaise with the Internal Model Steering Committee (IMSC) through the CRO to ensure that the internal model is subject to adequate governance and oversight and the internal model is able to contribute to the RMF; and
- 16) To periodically receive reports from the CRO on the level of adoption and use of the Internal Model within the RMF and agree priority action plans.

3. Membership and Attendance

3.1. Membership

The Committee membership is set out below. The roles shown qualify for membership. The Committee will be chaired by the Group Chief Risk Officer.

	Role	
1	Group Chief Risk Officer	
2	Group Chief Financial Officer	
3	Chief Financial Officer - Americas	
4	Chief Accounting Officer	
5	Chief Underwriting Officer	
6	Chief Investment Officer	
7	Chief Global Business Services & Innovation Officer	
8	General Counsel	
9	Chief Reserving Officer	
10	Group Head of Talent	
11	SVP Communications & Public Relations	
12	Chief Audit Officer	
13	Group Deputy CRO Chief Security Officer	
14	Group Head of Capital Management	
15	Group Chief Claims Officer	

The ERMSC acts as a coordination forum for Group-wide enterprise risk management issues. As such it may call on other internal resources where subject-matter expertise is required. The CRO has the responsibility for drawing on these inputs to support the ERMSC.

3.2. Quorum

Business will only be conducted if the meeting is quorate. The Committee will be quorate with 6 full members, including the Chair being present. Decisions are expected to be reached by consensus. In the event this cannot be achieved, decisions will be made by vote. Each member has one vote with the Chief Risk Officer having the casting vote, should it be necessary.

4. Frequency

Full Committee meetings will be convened at least quarterly by the Committee Chair to coincide with preparation of ERC and Board RC&C reports. The Chair will prepare the agenda of the meetings in advance. In addition the Chief Risk Officer may convene a sub-committee as a Working Group on a monthly basis to progress actions between full committee meetings.

5. Authority

Responsibility for stewardship of the risk management framework (RMF) is delegated to the Committee. The Committee has the power to carry out its responsibilities, abiding at all times by any other existing governance structures in force.

The Committee may operate a sub-group on a monthly basis to support the CRO in coordinating cross-functional activities. This will meet as required by the CRO. The Committee may not delegate executive powers and remains accountable for the work of any such group.

The Committee provides reports, via Chief Risk Officer, to the ERC and R&CC. The quarterly CR paper outlines the activities of the Committee. The Committee in return will receive reports on the activities and decisions made by the ERC and RC&C to allow effective coordination.

The Committee is authorised to obtain external independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary. No costs will be incurred without prior consent of the Group CRO.

6. Monitoring Effectiveness

The Committee will establish a work programme which reflects its accountabilities and responsibilities. Actions and decisions will be recorded in the form of minutes.

7. Review

The Committee will review its Terms of Reference and work programme on an annual basis as a minimum.