COVENTRY BUILDING SOCIETY GROUP BOARD RISK COMMITTEE
AND
THE CO-OPERATIVE P.L.C. BANK BOARD RISK COMMITTEE

Combined Terms of Reference

1. CONSTITUTION

1.1 The combined terms of reference of the risk committees (the "**Committees**") of Coventry Building Society (the 'Society') and The Co-operative Bank p.l.c (the 'Bank') were approved by the board of the Bank on **24 February 2026** and the board of the Society, (together with its subsidiaries, the 'Group') on **24 February 2026**. The Risk Committees' responsibilities are discharged on behalf of the Group, Society and the Bank.

The Bank and its subsidiaries are wholly owned by The Co-operative Bank Finance p.l.c. which is wholly owned by The Co-operative Bank Holdings p.l.c. which is in turn wholly owned by the Society.

1.2 The purpose of each Risk Committee is to monitor and review the formal arrangements established by its Board in respect of oversight of the design, implementation, operation and effectiveness of the Group Enterprise Risk Management Framework ('ERMF') and risk appetite.

2. ALIGNED BOARD MODEL

The Risk Committees of the Group and the Bank operate an aligned Board model. This includes joint meetings for the Risk Committees where meeting agendas clearly identify which items concern which entity (Group, Society and/or Bank).

3. ENITITIES TO WHICH THESE TERMS OF REFERENCE APPLY

3.1 Sections of these terms of reference which apply only to the Risk Committee of the Group are headed "Group Board Risk Committee only".

3.2 Sections of these terms of reference which apply only to the Risk Committee of the Bank are headed "Bank Board Risk Committee only".

4. MEMBERSHIP AND ATTENDANCE

4.1 The chair of each Committee (the "**Chair**") shall be an Independent Non-Executive Director as appointed by its Board.

4.1.1 Group Board Risk Committee only: Appointment of the Chair will be made following the recommendation of its Board's Nominations and Governance Committee.

4.1.2 Bank Board Risk Committee only: Appointment of the Chair will be made following the recommendation of its Board's Values & Ethics and Nomination Committee.

4.2 Group Board Risk Committee only: Membership of the Committee shall comprise a minimum of three and maximum of six members, who shall be independent non-executive directors (within the meaning of the UK Corporate Governance Code), including at least one member of the Group Board Audit Committee and one member of the Group Remuneration Committee.

4.3 Bank Board Risk Committee only: Membership of the Committee shall comprise a minimum of three and maximum of six members, who shall be independent non-executive directors, including at least one member of the Bank Audit Committee and one member of the Bank Remuneration Committee.

4.4 Each Committee shall have competence relevant to the sector in which the Group and Bank operates and members shall have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy.

4.5 Only the Chair and members of each Committee have the right to attend and vote at Committee meetings.

4.6 The Group/Bank Chief Executive Officer, Group/Bank Chief Financial Officer, Group/Bank Chief Risk Officer and the Group Chief Internal Auditor have standing invitations to attend the respective meetings of the Committees. Such attendees are not members of each Committee.

4.7 Other Executive and Non-Executive Directors of the Bank Board or the Group Board, external advisors and representatives from relevant business functions of the Group and / or Bank may be invited to attend all or part of any meeting as and when appropriate.

4.8 In the absence of the Chair and/or an appointed deputy, the remaining Committee members present shall elect one of their number to chair the meeting.

4.9 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three year periods, so long as members continue to be independent.

5. SECRETARY

5.1 The company secretary of the Group, or their nominee shall act as the secretary of the Committee (the "**Secretary**").

5.2 The Secretary should ensure that the Committee receives information and papers in a timely manner to support full consideration of the issues, the agenda having been approved by the Chair in advance.

6. QUORUM AND VOTING

6.1 The quorum necessary for the transaction of business for each Committee shall be two members, one of whom must be the Chair or appointed deputy, present throughout the meeting.

6.2 In the event of equal votes, the Chair of each Committee shall have a casting vote.

6.3 A member may be present for the purpose of paragraph 6.1 in person, by telephone, by videoconference or by other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and

instantaneously. A duly convened meeting of each 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.

6.4 In alignment with the Rules of the Society (Validity of Acts) and the Articles of the Bank (resolutions without meetings), a resolution which is signed or approved by all the directors entitled to vote (members of the Committee) on that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had been passed at a meeting duly called and constituted.

7. FREQUENCY OF MEETINGS

7.1 The Committees shall meet at least four times per financial year and otherwise as required.

7.2 Outside of the formal meeting programme the chair of each Committee will maintain a dialogue with key individuals involved in the Group's governance, including the chairs of the Boards, the respective Chief Executive Officers, Chief Risk Officers and relevant executives from across the Group.

7.3 The respective Chief Risk Officers, Group Chief Internal Auditor and all Risk Stewards shall be given the right of direct access to the Chair of the Committee.

7.4 Each Committee shall meet with the respective Chief Risk Officer, at least once per year, without the presence of executive management and other attendees.

7.5 Each Committee shall meet, at least once a year, with the Group Chief Risk Officer and all Risk Stewards, without the presence of executive management and other attendees.

8. NOTICE OF MEETINGS

8.1 Meetings of each Committee shall be convened by the Secretary at the request of any of its members or at the request of the respective Chief Risk Officers.

8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, in a timely manner to enable full and proper consideration of issues.

9. MINUTES OF MEETINGS

9.1 The Secretary, or their nominee shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

9.2 Draft minutes of the Committee meetings shall be circulated to all members of the Committees.

9.3 Group Board Risk Committee only: The Committee Chair will be available at the Society's Annual General Meeting to answer questions from members falling within the Committee's remit.

10. DUTIES

The responsibilities of each Committee will be to:

10.1 Enterprise Risk Management Framework

10.1.1 Review and challenge the design, implementation and effectiveness of the **ERMF**) and, at least annually, recommend to the Group Board for approval and the Bank Board for endorsement.

10.1.2 Ensure the remit of the Group's Risk function has:

(a) adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards; and

(b) adequate independence, being free from management or other restrictions.

10.1.3 Receive a report from the CRO on proposals in respect of the Group and Bank's risk management systems and ERMF and, at least annually, carry out a review of their effectiveness.

10.1.4 Support the Group Chairs of the Boards in safeguarding the independence of and overseeing the performance of the Group's Risk Function (including the Risk Assurance activity) in accordance with SYSC 7.1.21R, 7.1.22R and 6.1.

10.2 Risk Appetite

10.2.1 Review, challenge and recommend to the Group Board for approval all new Board Risk Appetite Measures, and at least annually and more frequently as required, proposals in respect of the Group's Risk Appetite (and any changes to them) and limits for risk categories, ensuring that the risk appetite is aligned with the Strategic Plan, capital and risk stress testing framework (including reverse stress testing) and the Principal Risks that the Group faces; and the Bank's Risk Appetite to the Bank Board for approval, in alignment with the Group's risk appetite.

10.2.2 Review and recommend to the Boards for approval any risks to be accepted outside the Group's and Bank's (Board) Risk Appetite respectively.

10.2.3 Ensure the business strategy aligns to the Group's Risk Appetite.

10.2.4 Review, challenge and approve the Delegated Lending Limits at least annually.

10.3 Risk Policies and Frameworks

10.3.1 Review and approve, the policies and frameworks relating to key risk categories (in relation to the Society, Bank and where applicable, the Group) as set out in the ERMF and matters reserved to the board.

10.3.2 Review and recommend to the relevant entity's Board for approval any active treasury counterparty exposures in breach of approved limits.

10.3.3 Review scenario assumptions for inclusion in business planning, receive the results of stress and scenario analysis, and assess whether the proposed mitigation measures are sufficient to manage the risk exposure within the Group Board's risk appetite.

10.3.4 Review and recommend for approval to the Group and Bank Board respectively the Group and Bank's Internal Capital Adequacy Assessment Process and Individual Liquidity Adequacy Assessment Process. Review and recommend for approval to the Group Board the Recovery Plan and the Resolvability Assessment Framework with reference to the Bank were applicable.

10.3.5 Review, challenge and recommend to the respective Boards for approval relevant submissions to competent authorities to be submitted in the entity's name, as appropriate.

10.4 **Risk Monitoring**

10.4.1 Review reports from the respective Chief Risk Officers and management, including reports on any material breaches of risk appetite, and consider the adequacy of proposed actions and impact on the Group arising from such breaches. The Committees should ensure that actual or likely material breaches of risk appetite are notified to the respective Boards as appropriate.

10.4.2 Challenge and monitor progress of the plans to mitigate current and emerging risk exposures, ensuring that management are exercising appropriate control to reduce the likelihood of risk crystallisation resulting in financial loss, reputational damage or regulatory concern or adverse customer outcomes.

10.4.3 Identify and assess emerging risks, including risks raised by regulatory change and those risks within remit of the other Group Board Committees.

10.4.4 Consider risks posed to the Group and Bank by the current and prospective macroeconomic and financial environment, drawing on financial stability assessments such as those published by the Bank of England, the Prudential Regulation Authority, the Financial Conduct Authority and other authoritative sources that may be relevant for the Group's risk policies when preparing advice for the Group Board and Bank Board, where necessary.

10.4.5 In cooperation with the Group Board Audit Committee, monitor identified control failings and weaknesses that raise material risk issues and management actions taken to resolve them.

10.4.6 Review and approve the annual Group Risk Assurance plan and the reasons for any significant changes to the plan, taking into account the risks identified from time to time.

10.4.7 Receive prompt notification of any material adverse reports, sanctions, or any major claims or litigation against the Group by any competent authority.

10.4.8 Receive and review reports on Material Risk Events including lessons learned from such Material Risk Events.

10.4.9 Review the Group and Bank operational resilience strategies respectively; the review should ensure the Group's Operational Resilience Framework incorporates Operational Continuity in Resolution requirements and receive

reports on the suitability of business resilience and contingency arrangement across the Group at least annually.

10.4.10 Review Strategic Change, technology and cyber related risks.

10.4.11 Receive, on behalf of the Group and Bank Boards respectively, periodic updates on outsourcing including internal outsourcing (as required) and third party risk management, which detail how relevant regulatory requirements have been complied with.

10.4.12 Review and oversee the activities undertaken by the Group and Bank to respond to the financial risks arising from climate change including review of management reports on models and scenarios employed in the determination of climate related risks.

10.4.13 Review and recommend to the Boards, reports from the Money Laundering Reporting Officer, including the Annual MLRO report, and adequacy and effectiveness of the Group and Bank's anti-money laundering and counter terrorist financing systems and controls.

10.4.14 Review and challenge the adequacy and effectiveness of the Group and Bank's systems and procedures for the prevention of bribery and corruption.

10.4.15 Review reporting from the SMF16 on the adequacy and effectiveness of compliance within the Group.

10.4.16 Review, challenge and exercise oversight of the governance of the Group's Model Risk Management Framework.

10.4.17 Review on an on-going basis the Group's actual and forecast capital and liquidity positions.

10.5 **Risk Culture**

10.5.1 Review, promote and challenge the Group's risk culture, and in so doing, liaise with the Group and Bank Boards and other Board Committees and seek assurance to satisfy itself that an appropriate risk culture prevails in the organisation which supports fair customer outcomes and the values and the ethics of the Group and Bank.

10.6 **Remuneration**

10.6.1 Provide advice to the respective Remuneration Committees, through the respective Chief Risk Officer's report, on any risk weightings to be applied to performance objectives incorporated in executive remuneration and make recommendations to the respective Remuneration Committees on clawback provisions.

10.7 **Regulatory Oversight**

10.7.1 Review, on behalf of the Group Board, if requested, key risk-related FCA and PRA correspondence and ensure that management's responses to such communications are appropriate, consistent with the Group's risk appetite.

10.8 **Reporting and Disclosures**

10.8.1 The Group Committee shall compile a report detailing how it discharged its responsibilities for inclusion in the Group's Annual Report and Accounts, including a description of the significant issues dealt with by the Committee and other matters required to be disclosed under the UK Corporate Governance Code.

10.9 **Performance Review**

10.9.1 Arrange periodic assessments of Committee effectiveness including a review of whether the Committees' cycle of activity remains appropriate to the Group, and where applicable the Bank's needs and report the output of this activity to the Group Board and where applicable the Bank Board; the review should be completed by Internal Audit.

10.9.2 Review these Terms of Reference annually and recommend the respective Boards for approval.

10.10 **Risk Reporting**

10.10.1 Receive reports, findings and recommendations from the Group Executive Risk Committee ("ERC"), and Bank Executive Risk Oversight Committee ("EROC") of significant issues.

10.10.2 Receive reports, findings and recommendations from the Group and Bank Asset and Liability Committees of significant issues.

10.11 **Chief Risk Officer**

10.11.1 Recommend to the respective Board(s) the appointment and/or removal of the Group and/or Bank's Chief Risk Officer.

10.11.2 Review the resignation of the Group and/or Bank's Chief Risk Officer and make a recommendation to the respective Board(s) about its acceptance.

10.11.3 Group Board Risk Committee only: The respective Chairs shall meet with the Group/Bank's Chief Risk Officer at least four times a year without the presence of other management.

11. REPORTING RESPONSIBILITIES

11.1 Each Committee Chair shall report formally to the respective Boards on its proceedings after each meeting on all matters within its duties and responsibilities.

11.2 Each Committee shall make whatever recommendations to the respective Boards it deems appropriate on any area within its remit where action or improvement is needed.

11.3 The Risk function shall compile a report on its activities and the risk management strategy and assessments of principal risk facing the Group, to be included in the annual report. The annual report should describe those risks and explain how they are being managed or mitigated.

12. OTHER MATTERS

The Committee shall:

12.1 consider how the matters for which it is responsible could impact customers, including creating good customer outcomes and mitigating customer harm.

12.2 assist the Group and Bank's Senior Management Function ("**SMF**") role holders in fulfilling their prescribed responsibilities.

12.3 where matters are being discussed in relation to a prescribed responsibility, ensure the relevant SMF role holder attends and participates in the discussion, or if unable to attend, ensure that they are suitably represented.

12.4 have access to sufficient resources in order to carry out its duties, including access to Company Secretariat for assistance as required.

12.5 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.

12.6 give due consideration to all relevant laws and regulations, the requirements of the UK Corporate Governance Code, FCA's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.

12.7 work and liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls on the work of other committees.

13. AUTHORITY

The Committee is authorised to:

13.1 seek any information it requires from any employee of the Group in order to perform its duties.

13.2 commission and oversee any review or investigation of activities which are within its terms of reference.

13.3 engage any firm of accountants, lawyers, or other professionals, as the Committee sees fit, to provide independent advice and to assist in any review or investigation of such matters within its terms of reference as the Committee deems appropriate, at the Group's expense.

13.4 delegate responsibilities to other Committees to facilitate the effective carrying out of its responsibilities.