

**FORTERRA PLC**  
**RISK COMMITTEE**  
**TERMS OF REFERENCE**

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Members:	Chairman of the Committee Chairman of the Board Independent Non-Executive Directors Chief Executive Officer Chief Financial Officer Other executives as determined by the Board
Chairman:	Independent Non-Executive Director
Observers:	Non-Executive Director appointed by LSF9 Concrete UK Limited (in accordance with the terms of the relationship agreement)
Attendees (as may be invited by the Committee):	Company secretary
Frequency of meetings:	At least four meetings per annum

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**1. MEMBERSHIP**

- 1.1 The risk committee (the “**Committee**”) of the board of directors (the “**Board**”) of Forterra plc (the “**Company**”, together with its subsidiary undertakings, the “**Group**”) shall be comprised of at least two members. Members of the Committee shall be appointed by the Board and shall be made up of the Chairman the Independent Non-Executive Directors, the Chief Executive Officer, the Chief Financial Officer and other executives as determined by the Board.
- 1.2 Only members of the Committee have the right to attend and vote at meetings of the Committee. Observers shall have the right to attend all meetings of the Committee. Other individuals such as the Company secretary and/or other representatives from the health, safety and risk management function of the Group will be invited to attend all or part of any meeting of the Committee as and when appropriate and necessary.
- 1.3 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three year periods.
- 1.4 The Board shall appoint the chairman of the Committee. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

## **2. SECRETARY**

The Company secretary or his or her nominee shall act as the secretary of the Committee and will ensure that members of the Committee and each Observer receive information and papers in a timely manner to enable full and proper consideration to be given to issues.

## **3. QUORUM**

The quorum necessary for the transaction of business shall be at least two members. A duly convened meeting of the 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.

## **4. FREQUENCY OF MEETINGS**

4.1 The Committee shall meet at least four times a year at appropriate intervals and such other times as the Board and/or the chairman of the Committee shall require.

4.2 Outside of the formal meeting programme, the chairman of the Committee will maintain a dialogue with key individuals involved in the Company's health, safety and risk management.

## **5. NOTICE OF MEETINGS**

5.1 Meetings of the Committee shall be convened by the secretary of the Committee (a) in accordance with the agreed schedule of meetings of the Committee; or (b) at the request of any of its members.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and each Observer, any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall, wherever practicable, be sent to Committee members and to other attendees as appropriate, at the same time.

5.3 Papers required by the Committee may be provided electronically.

## **6. MINUTES OF MEETINGS**

6.1 The secretary of the Committee shall minute the proceedings, decisions and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the chairman of the Committee.

## 7. ANNUAL GENERAL MEETING

The chairman of the Committee should attend the annual general meeting of the Company prepared to answer any shareholder question on the Committee's activities.

## 8. DUTIES

8.1 The Committee should carry out the duties below for the Company and other member of the Group, as appropriate.

8.2 The Committee shall:

- (a) consider all matters referred to the Committee by executives responsible for health, safety and risk management and any of its members;
- (b) recommend a health and safety policy to the Board ("**Health, Safety and Risk Policy**");
- (c) review the Health and Safety Policy at each meeting of the Committee to ensure that it still satisfies its outcomes;
- (d) implement the Health and Safety Policy;
- (e) liaise with executives responsible for the health and safety management and report to the Board on performance and issues in connection with the Health and Safety Policy;
- (f) consider whether the Health, Safety, Risk and Security Policy complies with UK health and safety best practice;
- (g) recommend any improvements to the Health and Safety Policy to the Board;
- (h) review and discuss the effectiveness of the risk management process to determine whether all relevant risks are being identified, evaluated, monitored and managed appropriately;
- (i) review and discuss the effectiveness of the health, safety, risk and security teams including whether the members of the health, safety, risk and security teams are adequately skilled and whether there are sufficient resources devoted to the health, safety, risk and security teams;
- (j) consider and report to the Board on levels of co-operation within the Group for implementation of the Health and Safety Policy;
- (k) review the adequacy of the security processes put in place by the Group and report to the Board on such adequacy in the context of prevailing security conditions and experience;
- (l) review the Group risk register at each meeting of the Committee and consider its appropriateness and completeness;

- (m) review mitigation actions being taken by the Group to address identified risks; and
- (n) report on the Group risk register to the Board.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 The chairman of the Committee shall report formally to the Board orally or in writing on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **10. OTHER MATTERS**

- 10.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.2 The Committee shall:
  - (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
  - (b) 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; and
  - (c) give due consideration to relevant laws and regulations.

## **11. AUTHORITY**

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

Adopted at the board meeting of the Company held on 11 April 2016.

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