

Volta Finance Limited
(the "Company")

TERMS OF REFERENCE – RISK COMMITTEE

1. Constitution

1.1 The Risk Committee (the "**Committee**") was constituted by resolution of the Board of Directors (the "**Board**") on 27 June 2014.

2. Membership

2.1 Members of the Committee (the "**Members**") shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Committee Chairman and shall be made up of at least three members.

2.2 All the Members shall be independent non-executive directors at least one of whom shall have recent and relevant risk experience. For the time being the Board have resolved that all independent directors shall be members of the Committee.

2.3 Other third parties, determined by the Board of the Company, shall be invited to attend meetings.

2.4 Members shall have the skills necessary to discharge the responsibilities of risk management and at least one Member shall have relevant investment management experience.

2.5 The Board shall appoint the Committee Chairman who shall be an independent non- executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining Members present shall elect one of their number to chair the meeting.

2.6 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all Members.

3. Secretary

3.1 BNP Paribas Securities Services S.C.A, Guernsey Branch (the "Company Secretary") shall act as the Secretary of the Committee.

3.2 Detailed reports shall be circulated by the Company Secretary in advance of the meeting and they shall keep accurate minutes of proceedings which will be circulated in draft to all Members no later than 10 business days after the date of the meeting.

4. Quorum

4.1 The quorum necessary for the transaction of business shall be 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.

5. Meetings

5.1 Meetings of the Committee shall be convened by the Secretary at the request of any of the Members, to meet together for the execution of business and otherwise regulate their meetings as they think fit.

6. Frequency of Meetings

6.1 The Committee shall meet approximately four times a year in advance of scheduled board meetings of the Company, and on other such occasions as the Chairman of the Committee shall deem necessary.

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7. Notice of Meetings

- 7.1 Notice of the meeting confirming the venue, time and date of the meeting together with an agenda of items to be discussed, shall be provided to all Members and any other attendees at least 5 business days in advance, unless all of the Members of the Committee agree to a meeting at shorter notice.
- 7.2 A duly convened meeting shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

8. Minutes of Meetings

- 8.1 The Company Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 The Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Draft minutes of Committee meetings shall be circulated promptly to all Members of the Committee and, once agreed, to all Members of the Board within 10 working days.
- 8.4 Final signed minutes of the meetings of the Committee shall be maintained for the Company's records.

9. Annual General Meeting ("AGM")

- 9.1 The Chairman of the Committee, or in his/her absence, a duly authorised representative of the Committee, shall attend the Annual General Meeting of the Company ("AGM") and be prepared to respond to any shareholder questions on the Committee's activities.

10. Duties

- 10.1 The Committee should carry out the duties below for the Company, as appropriate:
- 10.2 The Committee will report key trends to the Board on a regular basis and will escalate any breaches, material errors or material concerns to the Board on an ad-hoc and timely basis.
- 10.3 The Committee shall be responsible for drafting appropriate disclosures for inclusion in the financial statements of the company and recommending the same to the Board.
- 10.4 The Committee shall be responsible for completing all necessary risk reporting for regulatory purposes and recommending the same for approval by the Board.
- 10.5 The Committee will review qualitative metrics in relation to the categories of risk which are relevant to the Company's overall activities, the particular characteristics the Company's investments and the obligations made to shareholders. The Committee shall constructively challenge the Investment Manager in relation to matters of investment risk and other service providers in relation to operational and compliance risk.
- 10.6 The Committee will develop the Risk Register into a Risk Matrix which will include mitigating measures, implementing these where possible or making recommendations to the Board.
- 10.7 The Risk Matrix should be dynamic and respond to the evolving strategy of the Company.

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10.8 Emerging Risks will be periodically reviewed and documented.

10.9 The Committee should establish, subject to Board approval, risk limits and tolerances and monitor compliance with those limits and tolerances, making recommendations accordingly. The Committee may utilise data that is proprietary, from the Investment Manager, the Company Secretary or from external sources or advisors but in all cases the Risk Committee should monitor the quality of the data and be reasonably and demonstrably satisfied as to the validity and appropriateness of the data.

10.10 The Committee shall be responsible for the production of risk outputs.

11. Reporting Responsibilities

11.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

11.2 The Committee shall provide ad-hoc communication to the Board when necessary or when requested and the Chairman of the Committee shall be available to report to the Board and answer questions as appropriate.

11.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11.4 The Committee shall produce a report of its activities and the Company's risk management and strategy to be included in the Company's Annual Report.

12. Governing Documents

12.1 The actions, processes and procedures of the Committee shall have due regard to the provisions and requirements of;

- The latest version of the Company's offering memorandum and any subsequent formally approved amendments to the investment objection and strategy
- The Company's investment policy
- The AIC Code of Corporate Governance
- The FCA's Disclosure and Transparency Rules
- The Euronext Listing rules
- GFSC requirements or similar laws and regulations, as applicable.

13. The Committee's Risk Management Policy

13.1 Risk Management Policy will have regard to the following categories of risk:

- Operational
- Credit
- Counterparty
- Concentration
- Market
- Liquidity
- Compliance and regulatory
- Leverage

14. Other Matters

14.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;

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14.2 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.

15. Authority

15.1 The Committee is authorised to seek any information it requires from any employee of the Company's service providers in order to perform its duties;

15.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and

15.3 The Committee is authorised to call anyone to be questioned at a meeting of the Committee as and when required.

Reviewed and approved by the Committee: 5 March 2019

Amended by the Committee: 5 December 2019

Last reviewed by the Committee : 24 June 2020

Last reviewed and approved by the Board: 6 December 2019