

GREGGS plc
RISK COMMITTEE
TERMS OF REFERENCE

1 MEMBERSHIP

The Committee will consist of the following:

- Group CSR Manager
- Retail Director
- Group Chief Executive Officer
- Group Finance Director
- Group Purchasing Director
- Group Production Director
- Group People Director
- Group Property Director
- Group Technical Director
- Group Marketing Director
- Group Health & Safety and Environment Manager
- Group Development Director
- Group Head of IT

2 The Chairman of the Committee is the Group CSR Manager being the only member of the Committee not to have direct functional responsibility. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

MEETINGS

3 The Committee will meet 3 times per year, and at such other times as required to deal with specific risk issues. Any member of the Committee may request a meeting at any time if they consider it necessary.

4 Committee agendas will reflect the Risk Management Process timetable, as approved by the Audit Committee and Main Board.

5 Minutes of the meeting will be taken by someone suitably skilled such as the PA to Group CEO or Group FD.

AUTHORITY

6 The Committee has responsibility for analysing, assessing, measuring and understanding the Company's risk environment, and controls on it, and for devising a sound risk management strategy for review and approval by the Main Board.

7 The Committee is authorised to recommend implementation of any significant actions required to mitigate key risks to the Company, for approval by the Greggs plc Operational Board.

8 Individual members of the Risk Committee are responsible for ensuring appropriate actions are taken and procedures followed to mitigate any risks relating to their function.

9 Any member of Risk Committee has direct access to the Chair of the Main Board Audit Committee should they consider that key risks to the business are not being sufficiently addressed, having raised this issue with the Risk Committee and Greggs plc Management Board.

9a Point 9 of the Terms of Reference constitutes a 'duty of care' on individual members of Risk Committee to take the action outlined should they consider that key risks to the business are not being sufficiently addressed.

DUTIES

10 The Committee's main duties comprise:

- to ensure that the risk management controls of the Group are proper and effective and in accordance with the statutory requirements and relevant guidance;
- to monitor and review the process for identifying and managing risks and amending the process as required
- to consider the incidence of risks that arise and adapt/adjust controls to improve effectiveness
- to consider what external audit/verification should be undertaken to give comfort on correct operation of controls.

Specifically,

- To issue self assessments to the divisions, that cover all functions and the degree of conformity to the required standards for each function
- To review the self assessments and address any gaps in conformity with the appropriate division or function
- To produce the plc Risk Map, which identifies the key risks to the business, how these are mitigated, the present status of defence against the risks, and the actions required to improve this if deemed necessary. The plc Risk Map to be derived from the self-assessments; other formal audits (i.e. food safety, health & safety, and financial audits); and consideration of any other factors, internal or external, that give rise to risks to the business
- To ensure that actions detailed in the risk map to mitigate these risks are carried out

REPORTING PROCEDURES

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The Risk Committee Chair shall circulate all the minutes of meetings of the Committee to all members of the Committee.

The Committee members shall conduct an annual review of their work and of these terms of reference and revise these as necessary.

The Committee's duties and activities during the year shall be disclosed in the Annual Report & Accounts as required by the Main Board.

The Committee may form sub-committees from its membership to address specific aspects of its duties.

The Committee will report its findings to the Board on a regular basis as appropriate, and will submit a detailed risk review annually to the Audit Committee of the Main Board.