



# **NCR Corporation Risk Committee Charter**

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Revised: July 19, 2022



## **NCR Corporation - Risk Committee Charter**

### **Purpose**

The Risk Committee will assist the Board of Directors in fulfilling its oversight of executive management's responsibilities to design, implement and maintain an effective enterprise risk management (ERM) framework for the Company's overall operational, information security, strategic, reputational, technology, environmental, social and governance (ESG), and other risks. With respect to ESG, the Committee will also assist the Board in fulfilling its oversight responsibilities for matters relating to diversity and inclusion, as well as matters relating to the health, environment, safety, sustainability, and the security of personnel and physical assets.

### **Committee Composition**

The Risk Committee shall consist of three or more members of the Board of Directors, one of whom shall serve as Chair of the Risk Committee. The Chair and the other members of the Committee shall be appointed and removed in accordance with the Company's Bylaws. All of the members of the Committee shall be "independent" Directors as determined by the Board under the standards set forth in the Board's Corporate Governance Guidelines. At least one member of the Committee shall have experience in finance or accounting, or other relevant experience or background.

### **Primary Committee Responsibilities**

#### *Risk Management*

1. Oversee executive management's overall deployment of an ERM framework and its risk measurement methodologies, including, as and when appropriate, integration of the framework into the Company's strategic planning and capital allocation processes.
2. Review and discuss with executive management the Company's policies, procedures, and standards for identifying and managing enterprise risk, and the Company's compliance with and performance against those policies, procedures and standards.
3. Review and discuss with executive management and oversee the Company's data security risk strategy and data security risk policies and controls.
4. Review and discuss with executive management the Company's ERM strategy and ERM controls, including the Company's business continuity plans.
5. Review and discuss with executive management the Company's climate-related risk strategy including the Company's climate risk exposure and greenhouse gas (GHG) emissions reduction plans.



6. Review and discuss with executive management any material reports or inquiries from regulatory or governmental agencies related to the enterprise risks and remediation plans related to such risks.
7. Oversee the Company's technology planning and strategy, including integration, investments, expenditures, innovation, modernization and response to client, competitor, market and industry trends and disruptions.
8. Review with executive management the Company's technology program performance against financial, operational, cybersecurity, application compliance, regulatory, service delivery, talent and key performance objectives.
9. Review future trends in technology that may affect the Company's strategic plans, including monitoring of overall industry trends.
10. Receive, as and when appropriate, reports from the Internal Audit department and members of management on the results of ERM management reviews and assessments.
11. Review Company-issued reports that relate to the responsibilities of the Risk Committee, and approve the following items annually: (i) the Company's Information Security policies (Corporate Management Policy 1701 and Corporate Management Policy 1702, and successor policies thereto); and (ii) the methodology, scope, metrics and measures to be used in an Information Security report on Company business lines that service regulated entities, which Company management shall provide to the Committee and the Committee shall review annually.
12. Conduct periodic assessments of the state of the Company's management culture.
13. In fulfilling its responsibilities and duties, the Committee shall consider, among other things, the potential effect of any matter on the Company's reputation.
14. Monitor all enterprise risks. In doing so, the Committee recognizes the responsibilities delegated to other Committees by the Board and understands that the other Committees may emphasize specific risk monitoring through their respective activities.
15. Review and discuss with executive management the Company's major risk exposures and the steps taken to monitor and control such exposures.
16. Review periodically the activities of the Company's risk management committee and all business units to consider the Company's risk capacity and risks that may affect the entire Company's viability, as well as the steps taken by management to manage these risks within acceptable tolerances.
17. Provide timely input to executive management on critical risk issues.



18. Exercise forward thinking and oversee management of strategic risks (including emerging risks presented by economic, societal, environmental, regulatory, geo-political, competitive landscape or other conditions, and the business opportunities arising from such emerging risks) by (i) engaging executive management in an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise, and (ii) providing oversight of any Risk Appetite Statement adopted by the Company, including the assessment of business performance within the parameters of such a statement.
19. Proactively evaluate ESG factors that integrate with mainstream risk and keep the Board of Directors informed. For example, see the following mainstream risks and related ESG factors:

Type of Risk	Example	ESG Factors
Governance	Board decision-making, including CEO selection, director composition and executive compensation	<ul style="list-style-type: none"> <li>• Growing stockholder focus on:               <ul style="list-style-type: none"> <li>- diversity of the Board</li> <li>- recruiting directors with ESG or climate experience</li> <li>- linking executive compensation to ESG factors</li> </ul> </li> <li>• ESG risk impact on D&amp;O insurance</li> </ul>
Board Approval	M&A, divestiture, major capital expenditures, new product lines	<ul style="list-style-type: none"> <li>• ESG performance as a factor in M&amp;A-related valuations</li> <li>• Access to capital impacted by ESG performance</li> <li>• Growing consumer focus on ESG solutions</li> </ul>
Enterprise	Reporting risks, operational risks, human resources/labor risks, compliance risks, reputational risks, litigation risks	<ul style="list-style-type: none"> <li>• Fines and penalties arising from ESG violations</li> <li>• ESG regulations</li> <li>• ESG-based litigation</li> <li>• Climate-related risks</li> <li>• Extreme weather, health, social or other events affecting operations</li> <li>• Workplace injuries or deaths</li> <li>• Sexual harassment</li> <li>• Cybersecurity, data privacy and security breaches</li> <li>• Market devaluation from an ESG liability:               <ul style="list-style-type: none"> <li>- loss of liability insurance coverage</li> <li>- loss of assets, reduced profits and reputational damage</li> <li>- diminished likelihood of receiving services and capital from financial institutions</li> </ul> </li> </ul>
Emerging	New technologies, economic/regulatory policy change	<ul style="list-style-type: none"> <li>• Impacts from growth of artificial intelligence technology on job creation and local economies</li> <li>• Genetic engineering and nanotechnology impact on product development and human health</li> </ul>

Reporting Responsibilities

20. Report at the next meeting of the Board of Directors all significant items discussed at any Risk Committee Meeting, including related recommendations.



Other Responsibilities

21. Assist the Audit Committee in its review in a general manner of the guidelines and policies governing the process by which the Company conducts risk assessment and risk management.
22. Perform such other oversight functions that from time to time may be assigned to the Risk Committee by the Board of Directors.
23. Receive, as and when appropriate, reports on litigation and fraud, and conduct or authorize investigations or reviews into any matters within its scope of responsibilities and retain independent counsel, accountants or other professionals as necessary to assist in the conduct of any investigations or reviews, and, in the course of such investigations or reviews, meet with and seek information from employees, officers, external auditors, outside counsel, or other external parties as necessary.
24. Review and reassess the adequacy of the Risk Committee charter annually.
25. Evaluate the performance of the Committee annually.



## **Coordination of Risk Committee Responsibilities with Other Committee Responsibilities**

There are certain responsibilities that should be excluded from the Risk Committee and performed by other Committees of the Board of Directors. However, matters relating to such responsibilities could assist the Risk Committee in its decision-making process on matters for which it is responsible. Similarly, matters relating to the responsibilities of the Risk Committee could assist other Committees in their decision-making process for matters for which they are responsible. Accordingly, the Risk Committee Chair may liaise with the Chair of any other Board Committee in his or her discretion. For example: the Risk Committee Chair may liaise with the Audit Committee Chair to assist the Audit Committee in its review of the Company's financial and compliance risks or to organize and conduct joint meetings of the two committees on topics of common interest; or may liaise with the Compensation and Human Resource Committee Chair to assist the Compensation and Human Resource Committee in its consideration of the Company's enterprise risks as they relate to the Company's compensation policies and practices.

To maintain clarity of roles and to avoid conflict, certain responsibilities of the Risk Committee and the Audit Committee are set forth in the table below:

<b>Responsibility</b>	<b>Accountable</b>	<b>Informed</b>
Oversight of quality and integrity of financial statements	Audit	
Oversight of compliance with legal, tax and regulatory requirements	Audit	Risk
Oversight of independent registered public accounting firm's qualifications and independence	Audit	Risk
Oversight of the performance of the internal audit function	Audit	Risk
Review of compliance organization, plans, results and risks	Risk	Audit
Oversight of ERM framework	Risk	Audit
Oversight of information security risk	Risk	Audit
Oversight of strategic/emerging risks	Risk	
Oversight of reputational risks	Risk	

## **Committee Meetings**

The Risk Committee shall hold meetings at least four times each year and at any additional time as the Committee Chair deems necessary. The Committee may request that other Directors, members of management, outside professionals or others be present as needed in order to execute the Committee's primary responsibilities.

