

Christie Group plc

Terms of Reference - Audit Committee

(Approved on 27/03/2025)

1. Membership

- 1.1. The Committee shall be comprised of at least three members, the majority of whom should be independent Non-executive Directors.
- 1.2. Members of the Committee shall be appointed by the Board, on the recommendation by the Nomination Committee in consultation with the Chair of the Audit Committee.
- 1.3. Appointments to the Committee shall normally be for a period of up to three years, which may be extended.
- 1.4. At least one member shall have recent and relevant financial experience and with competence in accounting and/or auditing.
- 1.5. Only members of the Committee have the right to attend Committee meetings. However, the Group Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and external audit lead partner may be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend for all or part of any meeting as and when appropriate and necessary.
- 1.6. The Board shall appoint the Committee Chair who shall be an independent Non-executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

2. Secretary

- 2.1. The Company Secretary or the Committee Chair's nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two, one of whom must be an independent Non-executive Director. 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. Meetings

- 4.1. The Committee shall meet at least two times a year at appropriate intervals in the financial reporting and audit cycle and at such other times as the Chair of the Committee shall require.
- 4.2. Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the company's governance, including the Chairman of the Board (if applicable), the Chief

Executive Officer, the Chief Financial Officer, the external audit partner and the Head of Internal Audit.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee.
- 5.2. External auditors or internal auditors may request a meeting if they consider that one is necessary.
- 5.3. Unless otherwise agreed by the Committee, 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, any other person required to attend and all other Non-executive Directors. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2. Draft minutes of the Committee meeting shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee, the Chairman of the Board and the Chief Executive Officer.

7. Annual General Meeting

- 7.1. The Committee Chair or in their absence another member shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

8. Duties

The Committee should have oversight of the group as a whole and, unless required otherwise by regulation, carry out the duties listed below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

8.1 External Audit

The Committee shall

- 8.1.1 assess annually the performance and independence of the external auditors (recognising that partners are required to rotate every five years) and recommend to the Board their appointment, re-appointment or removal
- 8.1.2 develop and oversee the selection procedure for the appointment of the audit firm (as necessary).
- 8.1.3 if an external auditor resigns, investigate the issues leading to this and decide whether any action is required
- 8.1.4 oversee relationship with the external auditor. In this context the Committee shall

- 8.1.4.1 approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted
- 8.1.4.2 approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit
- 8.1.5 assess annually the external auditor's independence of the auditors and that between the auditors and the company.
- 8.1.6 to discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement letter, having regard to the seniority, expertise and experience of the audit team.
- 8.1.7 review the findings of the audit with the external auditor. This shall include but not limited to, the following:
 - 8.1.7.1 a discussion of any major issues which arose during the audit
 - 8.1.7.2 the auditor's explanation of how the risks to the audit quality were addressed
 - 8.1.7.3 key accounting and audit judgements
 - 8.1.7.4 the auditor's view of their interactions with senior management
 - 8.1.7.5 levels of errors identified during the audit
- 8.1.8 review any representation letters requested by the external auditor before they are signed by management
- 8.1.9 review any management letters and management's responses to the auditor's findings and recommendations.
- 8.1.10 review effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgments by the auditor, and the auditor's response to questions from the Committee.

8.2 Internal audit

The Committee shall

- 8.2.1 approve the appointment or dismissal of the head of internal audit.
- 8.2.2 review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the group.
- 8.2.3 review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business and receive regular reports on work carried out.
- 8.2.4 ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate and has appropriate standing within the company.
- 8.2.5 ensure the internal auditor has direct access to the Board Chairman and to the Committee Chair, providing independence from the executive and accountability to the Committee.

8.2.6 carry out an assessment of the effectiveness of the internal audit function and as part of this assessment

8.2.6.1 meet with the head of internal audit without the presence of management to discuss the effectiveness of the function

8.2.6.2 review and assess the annual internal audit work plan

8.2.6.3 receive a report on the results of the internal auditor's work

8.2.6.4 review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function

8.2.6.5 determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the group.

8.2.7 monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system and the work of compliance, finance and the external auditor.

8.2.8 consider whether an independent, third-party review of processes is appropriate.

8.3 Internal controls and risk management systems

The Committee shall

8.3.1 keep under review the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.

8.3.2 review and approve the statements to be included in the annual report concerning internal control, risk management, including the assessment of principal risks and emerging risk, and the viability statement.

8.4 Financial reporting

8.4.1 The Committee shall monitor the integrity of the financial statements of the company, including its annual and half yearly reports, preliminary announcements and any other formal statements relating to its financial performance, and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditors.

8.4.2 In particular, the Committee shall review and challenge where necessary:

8.4.2.1 the application of significant accounting policies, and any changes in them

8.4.2.2 the methods used to account for significant or unusual transactions where different approaches are possible

8.4.2.3 whether the company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's view on the financial statements

8.4.2.4 the clarity and completeness of disclosures in the financial statements and the context in which statements are made

- 8.4.2.5 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.
- 8.4.3 The Committee shall review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under law and regulation including the AIM Listing Rules or Disclosure Guidance and Transparency Rules.
- 8.4.4 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the Board.

8.5 Narrative reporting

Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy and whether it informs the Board's statement in the annual report on these matters that is required under the Code.

- 8.6 The Committee shall ensure the company has an adequate process for approving market announcements and making these available to Board members for review and comment where necessary.
- 8.7 The Committee shall consider any other topics, as defined by the Board from time to time.

9 Reporting Responsibilities

- 9.1 The Committee Chair shall report formally to the Board 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.
- 9.3 The Committee shall compile a report on its activities to be included in the company's annual report. The report should describe the work of the Audit Committee, including:
 - 9.3.1 the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed
 - 9.3.2 an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plan
 - 9.3.3 an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services, having regard to matters communicated to it by the auditor and all other information requirements set out in the QCA Code.
- 9.4 In compiling the reports referred to in 9.1 and 9.3, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have informed

the Board's assessment of whether the company is a going concern and the inputs to the Board's viability statement. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts but could provide cross-references to that information.

10 Other Matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for advice and assistance as required
- 10.2 be provided with appropriate and timely training, both in the form of an introduction programme for new members and an on-going basis for all members
- 10.3 give due consideration to laws and regulations, the provision of the Code and the requirements of the London Stock Exchange for AIM Companies, Prospectus and Disclosure Transparency Rules as well as guidelines published by the Association of British Insurers and the National Association of Pension Funds and any other applicable rules, as appropriate
- 10.4 be responsible for coordination of the internal and external auditors
- 10.5 oversee any investigation of activities which are within its terms of reference
- 10.6 work and liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly
- 10.7 ensure that a periodic evaluation of the Committee's performance is carried out
- 10.8 at least annually, review its 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.

11 Authority

The Committee is authorised by the Board to:

- 11.1 seek any information that it requires from any employee of the company in order to perform its duties
- 11.2 obtain, at the company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so, the costs of which must be approved by the Board; and such advisers may attend meetings as necessary by invitation of the Committee Chair
- 11.3 call any employee to be questioned at a meeting of the Committee as and when required.
- 11.4 have the right to publish in the company's annual report, details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the Committee's recommendation and the reason why the Board has taken a different position.