

# Christie Group plc

## Terms of Reference - Audit Committee

(Approved on 11/10/2023)

### 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 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, Group Finance Director, 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, the Chief Executive Officer, the Group Finance Director, 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 recoding 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 prepared to respond to any shareholder questions on the Committee's activities.

## 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. to 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; to oversee the process for selecting a new external auditor (as necessary).
- 8.2. to recommend to the Board the level of audit fee payable in respect of audit services.
- 8.3. to prepare and maintain a policy to ensure that the provision of non-audit services does not impair the auditors' independence or objectivity and to pre-approve any fees in respect of non-audit services provided by the external auditors.
- 8.4. assess the independence of the auditors and that between the auditors and the company.
- 8.5. to discuss with the external auditor, before the audit commences, the plan and scope of the audit and to review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements.

- 8.6. to consider the external auditor's findings from the audit, reviewing the auditor's management letters and management's responses.
- 8.7. ensure that the internal audit function is adequately resourced and has appropriate standing within the company.
- 8.8. to approve the appointment or dismissal of the head of internal audit.
- 8.9. to review the internal audit plan to ensure it is aligned to the key risks of the business and receive regular reports on work carried out.
- 8.10. ensure the internal auditor has direct access to the Board Chairman and performs their duties on examining areas all of compliance across the group as he may consider appropriate or necessary from time to time.
- 8.11. ensure the internal auditor has a reporting line into the Committee Chair and carry out an assessment of the effectiveness of the internal audit function.
- 8.12. to consider internal audit's findings and management's response to their recommendations.
- 8.13. to review managements and the internal audit's reports on the effectiveness of the systems of internal financial control, financial reporting and risk management.
- 8.14. to review and challenge policies and processes for identifying risks and opportunities, and risk mitigation structures and processes, across the group.
- 8.15. to monitor the preparation of the company's accounts, annual report and other public financial reports.
- 8.16. to ensure the company has an adequate process for approving market announcements and making these available to Board members for review and comment where necessary.
- 8.17. to review, and challenge where necessary, the actions and judgements of management, in relation to the interim statement and annual report before submission to the Board, paying particular attention to:
  - 8.17.1. the application of significant accounting policies, and any changes in them;
  - 8.17.2. the methods used to account for significant or unusual transactions where different approaches are possible;
  - 8.17.3. 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; and
  - 8.17.4. 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.
- 8.18. 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.
- 8.19. 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.

8.20. To consider any other topics, as defined by the Board from time to time.

## 9. Reporting Responsibilities

- 9.1. The Committee Chair or, as a minimum, another member of the Committee, shall attend the Board meeting at which the accounts are approved.
- 9.2. The Audit Committee's duties and activities during the year shall be disclosed in the annual financial statements.

## 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 assistance if 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. arrange for periodic reviews of its own performance and, 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; and
- 10.5. be responsible for coordination of the internal and external auditors.

## 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, and all employees are directed to cooperate with any request made by the Committee;
- 11.2. investigate any activity within its terms of reference; and
- 11.3. 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.