

THE CONYGAR INVESTMENT COMPANY PLC

("the Company")

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

1. Membership and Attendance

- 1.1 The Audit Committee ("the Committee") shall be appointed by the Board, and shall comprise a Chairman and at least one other member, neither of whom should be Executive Directors. At least one member of the Committee should have recent and relevant financial knowledge. The Committee is currently comprised of Nigel Hamway (Chairman) and Bim Sandhu.
- 1.2 The Committee may ask the Chairman of the Company (if relevant), Chief Executive, Finance Director and any relevant senior management to attend meetings either regularly or by invitation, but the invitees have no right of attendance.
- 1.3 The Committee shall ask a representative of the external auditors to attend meetings on a regular basis. The Committee should hold at least one meeting, or part thereof, with the external auditor but without management being present.

2. Secretary

The Chairman of the Committee, or his / her nominee, shall act as the Secretary of the Committee ("Secretary").

3. Quorum

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.

4. Frequency of Meetings

- 4.1 The Committee shall meet not less than twice a year and at such times as the Chairman of the Committee shall require.
- 4.2 Meetings will be arranged to coincide with key dates in the Company's financial reporting cycle.
- 4.3 Meetings can be requested by the external auditor through the Secretary if they consider one is necessary.
- 4.4 Meetings of the Committee shall be summoned by the Secretary at the request of any Committee member.

4.5 Outside of the formal meeting programme, the Committee Chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chairman, the Chief Executive, the Financial Director and the external audit lead partner.

5. Minutes of Meeting

5.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee.

5.2 The Chairman should ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

5.3 Minutes of Committee meetings shall be circulated to all members of the Committee and to all members of the Board, unless it would be inappropriate to do so in the opinion of the Committee Chairman.

6. Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting in order to respond to any shareholder questions on the Committee's activities.

7. Duties

7.1 Internal Audit

7.1.1 The Committee shall consider the need for an internal audit function annually, taking into account the size of the Company's operations and the views of the external auditor on this issue.

7.1.2 At the date these terms of reference were agreed it was noted that the Committee did not consider an internal audit function to be necessary.

7.1.3 Should an internal audit function be established the Committee shall consider and approve the terms of reference of the internal audit function, and shall be advised of the planned programme of audits and the reason for any change or delay in the programme. Each year the Committee shall review the effectiveness of the internal audit function.

7.2 Internal controls and risk management systems

7.2.1 The Committee shall (unless expressly addressed by a separate Board risk committee composed of independent directors, or by the Board itself) keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems.

- 7.2.2 The Committee shall review and approve the statements to be included in the Annual Report concerning internal controls and risk management.
- 7.2.3 The Committee should request regular reviews of the Company's internal controls by the external auditors. At the date these terms of reference were agreed it was noted that a review every three years was considered appropriate.

7.3 Compliance, whistleblowing and fraud

- 7.3.1 The Committee shall review the adequacy and security of the Company's arrangements for whistleblowers to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- 7.3.2 The Committee shall review the Company's procedures for detecting fraud.
- 7.3.3 The Committee shall review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.

7.4 External Audit

- 7.4.1 The Committee shall consider and make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, resolutions relating to the appointment, re-appointment and removal of the Company's external auditor, and shall ensure that key partners within the appointed firm are rotated in accordance with professional guidance and other regulations.
- 7.4.2 The Committee shall ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and in respect of such tender oversee the selection process and ensure that all tendering firms have such access to information and individuals as is necessary for the duration of the tendering process.
- 7.4.3 The Committee shall keep under review the relationship with external auditors including (but not limited to):
 - review and assess at least annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services.
 - satisfying itself that there are no relationships (such as family, employment, investment, financial or business) which could adversely affect the auditor's independence and objectivity.

- agreeing with the Board a policy on the employment of former employees/partners of the Company's auditor, and monitoring the implementation of this policy.
 - monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements.
 - recommendations on their remuneration, including both fees for the audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted.
 - approval of their terms of engagement in respect of audit and non-audit activities, including any engagement letter issued at the start of each audit and the scope of the audit.
 - discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made in relation to the Company's internal auditing standards.
- 7.4.4 The Committee shall review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.
- 7.4.5 The Committee shall review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
- a discussion of any major issues which arose during the audit;
 - key accounting and audit judgements;
 - levels of errors identified during the audit; and
 - the effectiveness of the audit process
- 7.4.6 The Committee shall also:
- review any representation letter(s) requested by the external auditor before they are signed by management;
 - review any management letter and management's response to the auditor's findings and recommendations; and
 - develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.
- 7.4.7 If the auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.

7.5 Financial Statements

- 7.5.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim

management statements, and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor.

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

- The consistency of, and any changes to, significant accounting policies both on a year on year basis and across the Company/group;
- the methods used to account for significant or unusual transactions where different approaches are possible;
- whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made; and
- all material information presented with the financial statements, such as the business review and the corporate governance statements relating to the audit and to risk management.

7.5.3 The Committee shall review and, where necessary, challenge the Company's financial statements (before submission to the Board) taking into account:

- decisions requiring a major element of judgement;
- the extent to which the financial statements are affected by any unusual transactions;
- the clarity of disclosures
- the going concern assumption;
- compliance with accounting standards;
- compliance with stock exchange and other legal requirements; and
- reviewing the Company's statement on internal control systems prior to endorsement by the Board and to review the policies and process for identifying and assessing business risks and the management of those risks by the company. Primary responsibility will, however, remain with the full Board.

7.5.4 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. 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.

9. Reporting Responsibilities

9.1 The Committee or its Chairman shall attend the Board meeting at which the annual and interim accounts are approved.

9.2 In the light of its other duties, the Committee shall make whatever recommendations to the Board it deems appropriate and shall compile a report to shareholders to be included in the Company's Annual Report and Accounts.

9.3 The Committee Chairman 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. This report shall include:

- the significant issues that it considered in relation to the financial statements and how these were addressed;
- its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
- any other issues on which the Board has requested the Committee's opinion.

10. Other Matters

10.1 The Committee shall be responsible for ensuring the effective co-ordination of the internal (if appointed) and external auditors and for considering management's response to any major external or internal audit recommendations.

10.2 The Committee shall 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.

10.3 The Committee should agree the procedures for reviewing claims for expenses from the Chairman and other Board members.

10.4 The Committee shall, where practicable, review all proposed announcements to be made by the Company to the extent that they contain material financial information.

10.5 The Committee shall oversee any investigation of activities which are within its terms of reference.

11. Authority

The Committee shall have the authority:

11.1 to seek any information it requires from any employee of the Company and Group in order to perform its duties and all employees are directed to co-operate with any request made by the Committee (including attendance at a Committee meeting).

11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference and such advisers may attend meetings as necessary.

11.3 to publish in the Company's Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

Approved by the Board of Directors of The Conygar Investment Company PLC on 1 September 2021