

## ConvaTec Group Plc

### Audit and Risk Committee - Terms of Reference

Adopted by the Board on 2 March 2022

#### 1. PURPOSE

- 1.1. The Audit and Risk Committee (the **Committee**) was constituted as a committee of the board of directors (the **Board**) of ConvaTec Group Plc (the **Company**) on 12 October 2016, in accordance with the articles of association of the Company. The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference. These terms of reference, which set out the Committee's purpose and responsibilities, replace any previous terms of reference for the Committee.
- 1.2. The Committee will act independently of the executive to ensure that the interests of shareholders and other stakeholders are properly protected in relation to financial and non-financial reporting, risk management and internal control, always within the principle of all directors having a duty to act in the interests of the Company and all directors remaining equally responsible for the Company's affairs.

#### 2.0 ROLE

- 2.1 The role of the Committee is to assist the Board to fulfil its responsibility to shareholders and other stakeholders in fulfilling its oversight responsibilities by reviewing and monitoring:
  - (a) the integrity of the financial and non-financial information (as specified in paragraph 3.11 below) and related narrative statements and other information provided to shareholders;
  - (b) the effectiveness of the Company's system of internal controls and risk management framework;
  - (c) the quality of the internal and external audit processes and auditors and co-ordinating their activities; and
  - (d) the processes for compliance with laws, regulations and ethical codes of practice, including the Company's policies and procedures relating to whistleblowing, detection and investigation systems and procedures relating to fraud and bribery and ESG regulations (particularly in respect of the Task Force on Climate-related Financial Disclosures – TCFD).

#### 3. DUTIES

The Committee shall perform the following duties for the Group as a whole, as appropriate.

##### Financial information and statements

- 3.1 To monitor the integrity of the Company's financial statements, including its annual and half-yearly reports, any interim management statements, any preliminary, interim and quarterly results announcements, summary financial statements and any other formal announcements relating to its financial performance.

- 3.2 To review and report to the Board on significant financial reporting issues and judgements made in connection with the preparation of the financial statements, interim and quarterly reports, preliminary announcements and related formal statements, (having regard to matters communicated to it by the auditor).
- 3.3 To review and challenge:
- (a) the application and appropriateness of significant accounting policies adopted and the quality and consistency of application of, and any changes to, the accounting policies, both on a year-on-year basis and across the Group;
  - (b) whether the Company has adopted the most appropriate accounting policies and made appropriate estimates and judgements, taking into account the views of the external auditor and comparability to other companies in the industry sector;
  - (c) the clarity and completeness of financial reporting disclosures and any changes to those disclosures and the context in which statements and disclosures are made. This should include the review of any correspondence between the Company and the external auditor;
  - (d) significant adjustments resulting from the external audit;
  - (e) all material information presented with the financial statements, such as the strategic report, the corporate governance statement (insofar as it relates to the audit and risk management) and the internal control and risk management statement;
  - (f) the methods used to account for significant or unusual transactions (including any off balance sheet arrangements) where different approaches are possible;
  - (g) all significant financial returns to regulators and any significant financial information contained in other documents; and
  - (h) the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements) and the longer-term viability statement (including an assessment of the prospects of the Company or Group looking forward over an appropriate and justified period).
- 3.4 Monitor compliance with financial reporting standards and any recognised investment exchange and other financial and governance reporting requirements.
- 3.5 To review first any other statements that contain financial information and require Board approval, if carrying out a review before Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the Listing Rules or Disclosure Guidance and Transparency Rules sourcebook.
- 3.6 To assess the effectiveness of the Group's financial reporting procedures.
- 3.7 Where the Committee is not satisfied with any aspect of the Group's financial reporting, to report its views to the Board.
- 3.8 To review, if requested, other statements containing financial information that require Board or other Board committee approval (for example, executive director remuneration financial data).

3.9 To review and approve the content of the Company's TCFD disclosures, including the integrity of the Company's relevant data, and to have oversight of the annual Responsible Business report (within the Annual Report) and the associated assurance exercise carried out by independent external consultants.

3.10 To review the content of the annual report and accounts and all other external financial reporting and advise the Board on:

- (a) the adequacy of the disclosures relating to the significant financial reporting issues and judgements made;
- (b) the assumptions and qualifications supporting the appropriateness of the going concern statements and the longer-term viability statement;
- (c) the adequacy and integrity of the narrative and disclosures relating to relevant ESG matters, including compliance with the regulatory requirements of TCFD,
- (d) whether, taken as a whole, the annual report and accounts are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- (e) whether it informs the Board's statement in the annual report on those matters that the Board is required to report on under the UK Corporate Governance Code, including the effectiveness of the Company's internal controls and risk management framework.

#### **Internal audit**

3.11 To review and approve the role, remit, budget and mandate of the Group's internal audit function.

3.12 To monitor and review the role and effectiveness of the work of the Company's internal audit function in the context of the Company's overall risk management system and the work of the compliance and finance functions and the external auditor, ensuring that the internal audit plan is aligned to the business's key risks.

3.13 To review and approve the annual internal audit plan and internal audit charter, ensuring that it is appropriate for the Company's current needs and aligned to key business's risks and receive regular reports on work carried out.

3.14 To approve the appointment and removal of the head of the internal audit function.

3.15 To oversee the Company's relationship with the internal audit function including, but not limited to assessing its independence and objectivity.

3.16 To ensure that the internal audit function has unrestricted scope, the necessary resources and appropriate access to information to enable it to perform its function effectively and fulfill its mandate in accordance with appropriate professional standards for internal auditors (including the Chartered Institute of Internal Auditors' Internal Audit Code of Practice).

3.17 The Committee should review and assess:

- (a) that the function has adequate standing and is independent of management and free from other restrictions;

- (b) the head of internal audit has the right of direct access to the chair of the Board and the chair of the Committee and is accountable to the Committee;
- (c) and approve the annual internal audit plan (including the scope and materiality level), ensuring it is aligned to the emerging and principal risks of the business, and be advised of and approve the reasons for any change or delay in the plan and ensure co-ordination between the internal and external auditors;
- (d) receive a summary report on the results of the internal auditor's work on a regular basis throughout the year with an annual overview of key themes emerging from the work undertaken during the year, and have access to full reports as the Committee considers appropriate;
- (e) determine whether it is satisfied that the quality, experience and expertise of the internal audit function are appropriate for the business;
- (f) review and monitor management's responsiveness to the internal auditor's findings, implementation of the recommendations of the internal auditor and management's actions to support the effective working of the internal audit function;
- (g) ensure that there is open communication between the different functions and that the internal function evaluates the effectiveness of the risk, compliance and finance functions as part of its internal audit plan;
- (h) review reports to the Committee from the internal auditor and to meet the head of internal audit at least once a year, without management present, to discuss the effectiveness of the internal audit function, its remit and any issues resulting from audits carried out; and
- (i) ensure that an independent, third party review of internal audit effectiveness and processes is undertaken at least once every five years, with an internal review of effectiveness undertaken annually.

## External audit

### (A) Appointment, reappointment and resignation

- 3.18 The Committee shall, taking into account any applicable law and legislation, other professional requirements and ethical standards:
- (a) consider and make formal recommendations to the Board, to be put to shareholders for approval at the Company's Annual General Meeting (the **AGM**), on the appointment, re-appointment, resignation or removal of the Company's external auditor;
  - (b) be responsible for and oversee the selection procedures for the appointment of the external auditor and initiate and supervise any competitive tender process undertaken by the Company for the provision of external audit services, including ensuring that the appointment of an external auditor is put out to tender at least once every ten years, with a mandatory change of external auditor at least every twenty years;
  - (c) investigate the issues leading to any resignation of an external auditor and decide whether any action is required; and

- (d) evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the Committee and consider the need to include the risk of the withdrawal of the external auditor from the market in that evaluation.

**(B) Terms of engagement**

3.19 The Committee shall oversee the relationship with the external auditor, including but not limited to:

- (a) review and approve the terms of engagement, including any engagement letter issued at the start of each audit, the scope of the audit, the annual external audit plan and the external auditor's remuneration (including fees for the audit and closely related non-audit services undertaken in accordance with the Company's policy on non-audit service provision by the external auditor), ensuring that the level of fees is appropriate to enable an effective and high quality audit to be undertaken; and
- (b) influencing the appointment of the individual identified by the external auditor as being primarily responsible for the conduct of the audit (ie the lead audit partner).

**(C) Independence and expertise**

3.20 The Committee shall review and assess:

- (a) on a continuous basis, the external auditor's independence and objectivity, and the effectiveness of the audit process, taking into account relevant legal, ethical, professional and regulatory requirements and all Group relationships with the external auditor and its network firms as a whole, including any threats to the auditor's independence and the safeguards to mitigate those threats including the provision of any permitted non-audit services;
- (b) on an annual basis, the qualifications, expertise and resources of the external auditor and, taking into account relevant UK professional and regulatory requirements, the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- (c) on an annual basis, seek reassurance from the external auditor and their staff and satisfy itself that the external auditor has no relationships (such as family, employment, investment, financial or business) with the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
- (d) at least annually, seek information from the external audit firm about, and monitor, the external audit firm's policies and processes for maintaining independence and its compliance with the relevant UK law, regulation and other professional requirements and ethical standards, including guidance on the rotation of the lead audit partner, other partners involved in the audit and staff; and
- (e) the policy on the employment of former employees of the external auditor, taking account of relevant ethical standards and legal requirements, monitoring the application of this policy, including the Committee's own safeguards relating to independence, and considering whether there has been any impairment or appearance of impairment of the external auditor's independence and objectivity.

**(D) Fees of external auditor**

- 3.21 Monitor the level of fees the Group pays to the external auditor in proportion to the overall fee income of the external audit firm (or relevant part of it), and related regulatory requirements.

**(E) Audit cycle**

- 3.22 Discuss with the external auditor the factors that could affect audit quality, and review and approve the annual audit plan at the start of the audit cycle and ensure it is consistent with the scope of the audit engagement, having regard to, resources and the seniority, expertise and experience of the audit team.
- 3.23 Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without the executive directors or management being present, to review and discuss the external auditor's remit and any issues arising from the audit including (but not limited to) any major resolved or unresolved issues that arose during the audit, the auditor's explanation of how risks to audit quality were addressed, challenges regarding key accounting and audit judgements, the auditor's view of their interactions with senior management and levels of errors identified during the audit.
- 3.24 Consider communications from the external auditor on audit planning and findings of the financial reporting process, on material weaknesses in accounting and internal control systems that come to the external auditor's attention, including a review of material items of correspondence between the Company and the external auditor.
- 3.25 Review any representation letter(s) requested by the external auditor before they are signed by management and consider whether, based on the Committee's knowledge, the information provided is complete and appropriate, in particular any representation on a non-standard matter.
- 3.26 Review, before its consideration by the Board, the external auditor's report to the directors and their management letter, including management's response to the auditor's findings and recommendations.
- 3.27 Throughout and at the end of the annual audit cycle, assess the effectiveness of the audit process including:
- (a) reviewing whether the auditor has complied with the agreed audit plan and whether the external auditor identified any risks to audit quality and, if so, how these were addressed;
  - (b) understanding reasons for changes to the audit plan;
  - (c) considering the external auditor's robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions; and
  - (d) obtaining feedback from key Group officers and employees on the conduct of the audit; including the reliance the external auditor placed on the internal audit.

**(F) Non-audit services**

- 3.28 Review annually and approve the Company's policy on the external auditor's provision of non-audit services, such non-audit services must be closely related to audit and comply with ethical guidance and legal and regulatory requirements. The policy should include assessment of:

- (a) threats to the external auditor's independence and objectivity and any safeguards in place to eliminate or mitigate;
- (b) the nature of permitted non-audit services;
- (c) the Committee's assessment of the external auditor's independence;
- (d) in light of the external audit firm's skills and experience, whether it is the most suitable supplier of the non-audit service;
- (e) the fees for the non-audit services, both for individual services and in aggregate, relative to the audit fee, including special terms and conditions; and

3.29 Ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity, satisfying itself that there are no relationships between the auditor and the Company outside the ordinary course of business (including the level of non-audit fees) that could adversely affect the auditor's independence and objectivity, or the audit process.

#### **Internal control and risk management systems**

The Committee shall on behalf of the Board (which retains overall responsibility for internal controls and risk management):

3.30 Carry out a review, at least annually, and monitor the effectiveness of the Company's systems, processes and policies established to identify, assess, manage and monitor the Company's internal controls, including financial, operational, compliance and general IT controls and risk management processes and review and approve the statement to be included in the annual report concerning the assessment of internal controls, principal and emerging risk management and the viability statement.

#### **(A) Risk management**

3.31 Ensure that a robust assessment of emerging and principal risks facing the Group has been undertaken (including those risks that would threaten achieving the strategic objectives the Company's business model, future performance, solvency or liquidity and reputation), that procedures are in place to identify emerging and principal risks and ensure processes are in place for effective management and mitigation of those risks. This will include the Committee periodically undertaking in-depth reviews of high-risk business areas to ensure they are being effectively managed and remain within the Company's risk tolerance and appetite parameters

3.32 Monitor and keep under review the policies and overall process for identifying and assessing new, emerging and existing business risks, managing their impact on the Company and Group, ensuring that a supportive risk management culture is embedded and maintained throughout the Group in conjunction with the Committee.

3.33 Assist the Board to establish and articulate the Company's overall risk appetite and tolerance, taking account of the current prospective macroeconomic and financial environment, and the Company's strategic objectives.

3.34 Review the effectiveness of the risk management function (at least annually) and consider and approve the remit of the risk management function, ensuring it:

- (a) is adequately resourced, has appropriate standing within the Company, with the risk

management process being appropriately embedded into the business and effectively operated, and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards; and

(b) has adequate independence and is free from management and other restrictions.

3.35 To approve the appointment and removal of the head of the enterprise risk management function.

**(B) Internal controls**

3.36 To promote and review sound risk management and Group internal control systems, including operational and compliance controls. At least annually, carry out a review of the effectiveness of internal controls and approve the statement to be included in the annual report and accounts concerning internal controls.

**(C) Management and internal and external audit reports**

3.37 Receive and review regular assurance reports from management, internal audit, external audit and others on matters related to risk and control, in particular as to the operational effectiveness and testing of risk management and internal control systems (including financial controls); identifying and managing emerging and principal risks; and material breaches of risk tolerance and appetite limits and the adequacy of proposed action.

3.38 Review the timeliness of, and reports on, the effectiveness of corrective action taken by management in response to any material external or internal audit recommendation.

**(D) Whistleblowing, fraud, bribery and other compliance**

3.39 Review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, with the aim of ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.

3.40 Review at least annually, the Group's codes, policies, procedures, systems and controls for:

(a) preventing, detecting and investigating fraud;

(b) preventing and investigating allegations of bribery and modern slavery; and

(c) ensuring the Group complies with its code of corporate conduct/business ethics and with relevant regulatory and legal requirements.

3.41 Receive reports on any fraud, bribery, modern slavery or non-compliance investigations or allegations and consider if any further appropriate action is required.

3.42 Review regular reports from the Compliance Officer on the Group-wide compliance programme and keep under review the adequacy and effectiveness of the Company's compliance function.

**(E) Policy and oversight of other matters, including pensions and insurance**

3.43 The Committee shall review and approve at least annually:

(a) the ConvaTec approvals framework policy and framework structure;



- (b) the Group's treasury policy and receive regular reports from the group treasurer on the activities of the treasury function, the status of all treasury instruments, the indebtedness of the Group and its compliance with covenants within its debt instruments;
- (c) the Group's global tax strategy, and the Group's Tax Statement prepared in accordance with the requirements of Finance Act 2016 Schedule 19, paragraph 16(2).;
- (d) the insurance position of the Group, including its general insurance arrangements to protect against the financial implications of principal risks, where possible, and assess the adequacy of these arrangements, subsequently reporting to the Board on this matter prior to Board approval. This excludes the Group's Directors and Officers Insurance arrangements which are to be reviewed by the Board; and
- (e) the pension risk management activities, funding structures and any related reporting issues and judgements concerning pensions assets and liabilities.

3.44 The Committee shall also oversee any investigation of activities which are within its terms of reference and recommend action to the Board when necessary. It will also undertake any other projects as requested by the Board.

#### **4. COMPOSITION AND QUORUM**

- 4.1. The Committee must have at least three members. Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee, in consultation with the Committee chair.
- 4.2. All members of the Committee must be independent non-executive directors. The Chair of the Board may not be a member of the Committee. If the Board decides that a member of the Committee is no longer independent, that member will cease to be a member of the Committee.
- 4.3. At least one member of the Committee must have been determined by the Board to have significant, recent and relevant financial experience and the Committee as a whole should have competence relevant to the sector in which the Company operates.
- 4.4. Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others to attend all or part of any meeting if it thinks it is appropriate or necessary and other members of the Board may attend any Committee meeting, having first consulted with the chair of the Committee. The Chair of the Board, Chief Executive Officer (the **CEO**), Chief Financial Officer (the **CFO**), head of internal audit, group controller and external audit lead partner will be invited to attend meetings of the Committee on a regular basis.
- 4.5. Appointments to the Committee are for a period of up to three years, extendable for two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- 4.6. The Board appoints the chair of the Committee. In the absence of the Committee chair, the remaining members present may elect one member to chair the meeting.
- 4.7. The quorum necessary for the transaction of business is two members.
- 4.8. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **5. MEETING ADMINISTRATION**

- 5.1 The Committee must meet as often as it deems necessary but, in any case, at least three times a year, at appropriate times in the financial reporting and audit cycle, at such times and places determined by the Committee chair. The Committee must approve the annual calendar of its meetings. Additional meetings may be called by the Committee chair or the secretary of the Committee. The Committee may hold meetings by telephone or using any other method of electronic communication and may take decisions without a meeting by unanimous written consent, when deemed necessary or desirable by the Committee chair.
- 5.2 Meetings of the Committee are called by the secretary of the Committee at the request of any of its members or at the request of the external or internal auditor.
- 5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date (and dial-in details if required) of the meeting must be sent, with an agenda of the items to be discussed and any supporting papers, to each member of the Committee, any other person required to attend the meeting and all other non- executive directors, as soon as practicable, and in any event no later than five working days before the date of the meeting.
- 5.4 Outside the formal meeting programme, the Committee chair should maintain a dialogue with key individuals involved in the Company's governance, including the chair of the Board, the CEO, the CFO, the external audit lead partner and the head of internal audit.
- 5.5 The minutes of all Committee meetings shall be included in the Board papers for a subsequent Board meeting.

## **6. SECRETARY**

- 6.1 The company secretary or such person as the board or the company secretary nominates, acts as the secretary of the Committee.
- 6.2 The secretary must ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the business of the meeting
- 6.3 The secretary must minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.4 The secretary must ascertain, at the beginning of each meeting, whether any conflicts of interest exist and, if so, minute them accordingly.
- 6.5 Draft minutes of Committee meetings must be sent promptly to the Committee chair for initial review and then to all Committee members. Once approved, minutes must be sent to all members of the Board, unless the chair of the Committee thinks it is inappropriate to do so.
- 6.6 A resolution in writing (or set out in an email) and signed or confirmed approval via email by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

## **7. SELF-EVALUATION**

- 7.1 The Committee must review its own performance, composition and terms of reference at least once a year to ensure it is operating at maximum effectiveness and recommend to the Board any changes it considers necessary or desirable for approval.

## **8. ENGAGEMENT WITH SHAREHOLDERS**

- 8.1 The chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities and achievements over the year (including details on engagement with shareholders on significant matters), and deal with any questions relating to the resignation or dismissal of the external auditor.

## **9. REPORTING RESPONSIBILITIES**

- 9.1 The chair of the Committee must report formally to the Board on the Committee's proceedings and on how it has discharged its duties and responsibilities. This report must include:

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

- 9.2 The Committee may make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 9.3 The Committee will prepare a formal report to shareholders and other stakeholders on its activities and how the Committee has discharged its responsibilities to be included in the Company's annual report and accounts, which shall include:

- (a) details of the membership of the Committee, number of meetings held and attendance over the course of the year;
- (b) explain how the Committee composition requirements have been met, identifying the names and qualifications of its members;
- (c) summary of the role and work of the Committee in discharging its responsibilities;
- (d) explain how the Committee's performance evaluation has been conducted;
- (e) the significant issues that the Committee considered in relation to the financial statements and financial and non-financial information disclosures and how these issues were addressed, having regard to matters communicated to it by the external auditor, the nature and extent of any interaction with the Financial Reporting Council's Corporate Reporting Review team and any significant findings of a review of the Company's audit conducted by the Financial Reporting Council's Audit Quality Review team;
- (f) explain how the Committee has addressed the effectiveness of the external audit process;
- (g) an explanation of its assessment of the independence and effectiveness of the external audit

process (including the provision of non-audit services and an explanation of how, if the auditors provide non-audit services to the Company and the Group, auditor objectivity and independence is safeguarded) and its approach taken to the appointment or reappointment of the external auditor, length of incumbent auditor's tenure, when a tender was last conducted, advance notice of any re-tendering plans (and reasons why completing the process in that proposed financial year is in the best interests of the Company's stakeholders) and any contractual provisions restricting the Committee's choice of auditor, and the amount of fees paid to the auditor for any of its services;

- (h) the Committee's policy for approval of non-audit services, how auditor's objectivity and independence is safeguarded, the audit fees for the statutory audit for audit related services and other non-audit services, including the ratio of audit to non-audit work, and for each significant engagement, or category of engagements, what the services are and why the Committee concluded that it was in the Company's interests to purchase them from the external auditor;
- (i) make any statement of compliance required by law or regulations; and
- (j) any other issues on which the Board has requested the Committee's opinion.

9.4 Make available to shareholders and other stakeholders these terms of reference by placing them on the Company's website.

## **10. OTHER MATTERS**

10.1 The Committee shall:

- (a) consider other duties determined by the Board from time to time;
- (b) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (c) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (d) give due consideration to existing, new and emerging laws, regulations and ethical codes of practice in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority as well as guidelines published by relevant institutional investors and representative bodies and other applicable rules, as appropriate;
- (e) oversee any investigation of activities which are within its terms of reference; and
- (f) work and liaise as necessary with all other Board committees, taking particular account of any delegation of the impact of risk management and internal controls to different committees. In particular, when requested, provide advice to the Remuneration Committee on financial reporting matters and related judgements, non-financial information and risk management as they affect the performance objectives incorporated in executive remuneration.

## **11. AUTHORITY**

### **11.1 The Board authorises the Committee to:**

- (a) carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate independent legal or professional advice on any matter within its terms of reference as it considers necessary;
- (b) seek any information from any Group employee or contractor that it requires to perform its duties;
- (c) call any Group employee or contractor to be questioned at a Committee meeting, as and when required;
- (d) publish in the company's annual report details of any issues that have not been resolved between the Committee and the Board;
- (e) delegate any or all of its powers and authority as it thinks fit, to one or more of its members, the Committee chair or the company secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee; and
- (f) collectively and individually have direct access to the CFO, the head of internal audit and the Company's external auditor.