

Irish Continental Group plc

Audit and Risk Committee

Terms of Reference

(Approved by the Board on 13 November 2023)

1. Membership

- 1.1. The Audit and Risk Committee (“the Committee”) is established as a sub-committee of the Board.
- 1.1. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Audit Committee. The Committee shall comprise of at least three members.
- 1.2. All members of the Committee shall be independent non-executive Directors at least one of whom shall have recent and relevant financial experience.
- 1.3. The term of any appointment to the Committee will be determined by the Board subject to the Director meeting the criteria for membership of the Committee.
- 1.4. The board shall appoint the Committee Chairman 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.

2. Secretary

- 2.1. The Company Secretary or their nominee shall act as the Secretary to the Committee.

3. Quorum

- 3.1. 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.
- 3.2. Any member may attend a meeting of the Committee via electronic means, and any meeting of the Committee may be held by electronic means whereby all persons participating in the meeting can hear each other speak; and participation in a meeting in this manner shall constitute presence in person at such meeting.
- 3.3. A resolution signed or approved in writing (or by e-mail) by all the members of the Committee shall be as effective for all purposes as a resolution passed at a meeting of the Committee duly convened and held, which may consist of several documents in the like form each signed or approved by one or more of the members.

4. Frequency of Meetings and Attendance

- 4.1. The Committee shall meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 4.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Board, Chief Executive Officer, Chief Financial Officer, other Directors, executive management and staff may be invited to attend all or part of any meeting as and when appropriate.
- 4.3. The external auditors will be invited to attend meetings of the Committee on a regular basis.
- 4.4. Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer, the Chief Financial Officer, the external audit partner and head of risk.

5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.
- 5.2. Unless otherwise agreed, 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 no later than three working days before the date of the meeting. 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 resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless it would be inappropriate to do so in the opinion of the Committee Chair.

7. Annual General Meeting

- 7.1. The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

8.1. Financial Reporting

8.1.1. The Committee shall monitor the integrity of the financial statements of the Company, including its Annual and Half-Yearly reports, interim management statements, trading updates and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on any significant financial reporting issues and judgements which they contain.

8.1.2. The Committee shall review and challenge where necessary:

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

8.2. Narrative Reporting

8.2.1. The Committee should review the content of the annual report 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.

8.3. Internal Controls and Risk Management Systems

8.3.1. The Committee shall keep under review the adequacy and effectiveness of the Company's internal controls and risk management systems. The committee shall review:

- 8.3.1.1. The risk exposures of the company, including risk to the company's business model, and solvency and liquidity risks.

- 8.3.1.2. The adequacy and effectiveness of the company's processes and procedures to manage risk and the internal control framework, including the design, implementation and effectiveness of those systems.
 - 8.3.1.3. The ability of the company's risk management and internal control systems to identify the risks facing the company and enable a robust assessment of principal risks.
 - 8.3.1.4. The company's capability to identify and manage new and emerging risks.
 - 8.3.1.5. The effectiveness and relative costs and benefit of particular controls.
 - 8.3.1.6. The effectiveness of management's processes for monitoring and reviewing the effectiveness of risk management and internal control systems and ensuring corrective action is taken when necessary.
 - 8.3.1.7. The company's ability to reduce the likelihood of principal risks materialising and the impact on the business of risks that do materialise.
 - 8.3.1.8. The appropriateness of the company's values and reward systems for managing risk and internal controls, and the extent to which those values are embedded at all levels of the company.
- 8.3.2. The Committee should meet with representatives of the Company's Risk Management Committee at least annually.
- 8.3.3. The Committee should review and approve the statements to be included in the Annual Report concerning internal controls and risk management, including the assessment of principal risks and emerging risks and the Viability Statement.

8.4. Climate and Sustainability

- 8.4.1. The Committee shall keep under review the adequacy and effectiveness of the Company's processes for the identification of climate related risks and opportunities and the Committee shall seek suitable assurance regarding:
- 8.4.1.1. The process for the identification of climate related issues faced by the Company.
 - 8.4.1.2. The Company's responses to mitigate the effects of identified climate issues on the Company's business model.
 - 8.4.1.3. The design and measurement of metrics and targets set by the Company for the monitoring of climate related issues.
 - 8.4.1.4. Progress towards the achievement of previously set targets.
- 8.4.2. The Committee should review and approve the content of disclosures to be included in the Annual Report concerning climate and sustainability having regard to required regulatory disclosure and best practice.

8.5. Whistleblowing and Fraud

The Committee shall review ;

- 8.5.1 The adequacy of the Company's protected disclosure arrangements for its workers, 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.
- 8.5.2 The Company's systems and controls for preventing and detecting fraud.
- 8.5.3 The Company's systems and controls for the prevention of bribery and receive reports on non-compliance.
- 8.5.4 The Company's compliance arrangements in order to support the Directors' Compliance Statement contained in the Annual Report.

8.6. Internal Audit

The Committee shall:

- 8.6.1 approve the appointment and removal of the head of the internal audit function;
- 8.6.2 consider and approve the mandate of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
- 8.6.3 ensure the function has adequate standing and is free from management or other restrictions, with direct access to the Committee Chair
- 8.6.4 meet with the head of internal audit at least once a year without the presence of management;
- 8.6.5 review and assess the adequacy of the annual internal audit plan;
- 8.6.6 review the reports of the work carried out by the internal audit function;
- 8.6.7 review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and
- 8.6.8 monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system;

8.7 External Audit

The Committee shall:

- 8.7.1. consider and make recommendations to the board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Committee shall oversee the selection process for the appointment of the statutory auditor and shall investigate the reasons where a statutory auditor resigns and decide if any action is required.
- 8.7.2. ensure that the audit services contract is put out to tender at least once every 10 years 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 ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
- 8.7.3. oversee the relationship with the external auditor including (but not limited to):
 - 8.7.3.1. approval of their remuneration, including both fees for audit and non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - 8.7.3.2. approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 8.7.3.3. assessing 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;
 - 8.7.3.4. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - 8.7.3.5. agreeing with the board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
 - 8.7.3.6. monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and
 - 8.7.3.7. assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;
 - 8.7.3.8. seeking to ensure co-ordination with the activities of the internal audit function;

- 8.7.3.9. evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of withdrawal of their auditor from the market in that evaluation.
- 8.7.4. 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 management present, to discuss the auditor's remit and any issues arising from the audit.
- 8.7.5. 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.
- 8.7.6. review the findings of the audit with the external auditor. This shall include but not be limited to, the following;
 - 8.7.6.1. a discussion of any major issues which arose during the audit;
 - 8.7.6.2. any accounting and audit judgements;
 - 8.7.6.3. levels of errors identified during the audit; and
 - 8.7.6.4. the effectiveness of the audit process.
- 8.7.7. The Committee shall also
 - 8.7.7.1. Review any representation letter requested by the external auditor before they are signed by management;
 - 8.7.7.2. Review the management letter and management's response to the auditor's findings and recommendations; and
 - 8.7.7.3. Develop and implement a policy on the supply of non-audit services by the external auditor to ensure that the provision of such services does not impair the external auditor's objectivity and independence, taking into account any relevant ethical guidance on the matter.

8.8. Engagement with Regulatory Authorities

- 8.1. The Committee shall review the Company's engagement with any regulatory authority with responsibility for the oversight of the Company's financial reporting.
- 8.2. The Committee Chair shall meet with the representatives of any such regulatory authority where requested and it is considered appropriate to do so.

8.9. Reporting Responsibilities

- 8.8.1. The Committee Chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and the Committee shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:

- 8.8.1.1. the significant issues that it considered in relation to the financial statements and how these issues were addressed;
 - 8.8.1.2. its assessment of the independence and effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
 - 8.8.1.3. any other issues on which the Board has requested the Committee's opinion.
- 8.8.2. The Committee shall make recommendations to the Board concerning the approval of the Annual and Half-Yearly financial reports.
- 8.8.3. The Committee shall make whatever other recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.8.4. The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report. The report should include at a minimum the information requirements set out in the UK Corporate Governance Code.
- 8.8.5. In the reports referred to at 8(g)(i) and 8(g)(iii) , 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 Boards's assessment of whether the Company is a going concern. The report to shareholders need not repeat information disclosed elsewhere in the Annual Report and Accounts, but could provide cross references to that information.

8.9. Other Matters

The Committee shall:

- 8.9.1. have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 8.9.2. 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;
- 8.9.3. give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules as appropriate;
- 8.9.4. be responsible for co-ordination of the internal and external auditors;
- 8.9.5. oversee any investigation of activities which are within its terms of reference and act as a court of the last resort; and
- 8.9.6. at least once a year, review its own performance, 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.

9. Authority

The Committee is authorised:

- 9.1. to seek any information it requires from any employee of the Company in order to perform its duties;
- 9.2. to obtain, at the Company's expense, independent legal or other professional advice on any matter it believes it necessary to do so; and
- 9.3. to call any employee to be questioned at a meeting of the Committee as and when required.
- 9.4. To 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.

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