

## DRAPER ESPRIT PLC

### TERMS OF REFERENCE OF THE AUDIT, RISK AND VALUATIONS COMMITTEE

**Adopted by resolution of the Board on 11 May 2016**  
**Amended by resolution of the Board on 10 November 2016**  
**Amended by resolution of the Board on 28 May 2019**  
**Amended by resolution of the Board on 28 September 2020**  
**Amended by resolution of the Board on 14 July 2021**

#### 1. DEFINITIONS

In this document:

- (a) reference to the "**Board**" shall mean the Board of Directors of the Company;
- (b) reference to the "**Chair**" shall mean the Chair of the Board;
- (c) reference to the "**Code**" shall mean the UK Corporate Governance Code as amended from time to time;
- (d) reference to the "**Committee**" shall mean the Audit, Risk and Valuations Committee of the Board;
- (e) reference to the "**Committee Chair**" shall mean the member appointed as the Chair of the Committee;
- (f) reference to the "**Company**" shall mean Draper Esprit plc;
- (g) reference to the "**Group**" shall mean the Company and all other subsidiary undertakings of the Company;
- (h) Reference to the "**Market Abuse Regulation**" shall mean the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.
- (i) Reference to the "**Irish Market Abuse Regulation**" shall mean the European Union (Market Abuse) Regulations 2016, the Central Bank (Investment Market Conduct) Rules 2019 ("**IMC Rules**") and any rules issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014 of Ireland as each may be amended from time to time.
- (j) Reference to the "**Prospectus Regulation**" shall mean the UK version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Prospectus (Amendment, etc) (EU Exit) Regulations 2019.

- (k) Unless otherwise stated, reference to "**Secretary**" shall mean the Secretary of the Committee.
- (l) Unless otherwise stated, a reference to:
  - a. any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an "**EU Matter**") which is to form part of UK domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read as a reference to that EU Matter as it forms (by virtue of section 3 of the European Union (Withdrawal) Act 2018) part of UK domestic law and as modified by domestic law from time to time; and
  - b. any EU entity shall be read as a reference to the UK institution, authority or body to which its functions were transferred,

and words and expressions used in this paragraph 1(l) shall have the meanings given to them respectively in the European Union (Withdrawal) Act 2018.

## **2. MEMBERS**

The members of the Committee for the time being shall be:

- Grahame Cook (Committee Chair);
- Richard Pelly; and
- Gervaise Slowey.

## **3. PURPOSE**

The Committee is appointed by the Board on behalf of the Company and the broader Group to assist the Board in fulfilling its obligations relating to the integrity of the internal financial controls; the financial reporting of the Company; the independent and proper valuation of underlying Group investments and the review, assessment, management and monitoring of risk.

## **4. MEMBERSHIP**

- 4.1 The Committee shall be made up of at least three (3) independent non-executive members. Members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Committee Chair.
- 4.2 All members of the Committee shall be independent non-executive directors at least one of whom shall have recent and relevant financial experience, ideally with a professional qualification from an internationally recognised professional accountancy body and with competence in accounting and/or auditing, or experience in internal audit and risk management and previous listed investment company audit committee experience. As a whole, the Committee should have competence relevant to the sector in which the Company operates and

experience of corporate financial matters. The Chair of the Board may not serve on the Committee. Any member who fails to remain independent will step down from the Committee.

- 4.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair, Chief Executive Officer, Chief Financial Officer, other directors, the General Counsel, the heads of risk, compliance and (where applicable) internal audit and representatives from the finance function may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 4.4 The external auditors will be invited to attend meetings of the Committee on a regular basis, as appropriate. The Committee should have at least one annual meeting, or part thereof, with the external auditor without management being present should the Committee deem that to be necessary.
- 4.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three (3) years, provided the director still meets the criteria for membership of the Committee. The Board may fill vacancies in the Committee or appoint additional members to the Committee by appointment from amongst the Board provided that any such appointees are independent non-executive directors.
- 4.6 The Board shall appoint the Committee Chair from among the members of the Committee who shall be an independent non-executive director.
- 4.7 Each member of the Committee shall disclose to the Committee:
  - (a) any personal financial or other interest in any matter to be decided by the Committee; and/or
  - (b) any potential conflict of interest arising from a cross-directorship or otherwise,

and any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

## **5. SECRETARY**

- 5.1 The secretary of the company or his or her nominee shall act as the Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.
- 5.2 The Committee shall have access to the services of the Secretary on all Committee matters, including: assisting the Chairperson in planning the Committee's work, drafting meeting agendas, maintaining minutes, drafting of material about its activities for the annual report and interim reports, collection and distribution of information and provision of any necessary practical support.

## **6. MEETINGS AND QUORUM**

- 6.1 The quorum necessary for the transaction of business shall be any two (2) 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.
- 6.2 Members may participate in a meeting of the Committee by means of conference telephone or other electronic communication equipment.
- 6.3 Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting of the Committee. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose. In the event of deadlock at a meeting of the Committee the Chair will, with the exception of matters where he may have a personal interest or conflict, have a casting vote.
- 6.4 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.

## **7. FREQUENCY OF MEETINGS**

- 7.1 The Committee shall meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 7.2 Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, shall maintain a dialogue with key individuals involved in the Company's governance, including the Chair of the Board and the external audit lead partner.
- 7.3 Meetings can be requested by the external auditor if they consider that to be necessary.
- 7.4 A sufficient interval should be allowed between Committee meetings and main Board meetings to allow any work arising from the Committee meeting to be carried out and reported to the Board as appropriate.

## **8. NOTICE OF MEETINGS**

- 8.1 Meetings of the Committee shall be called 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.
- 8.2 Unless otherwise agreed by consent of all members in writing, 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, no later than five 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.

8.3 Notices, agendas and supporting papers may be sent in electronic form.

## **9. MINUTES OF MEETINGS**

9.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

9.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

9.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chair.

## **10. ANNUAL GENERAL MEETING**

10.1 The Committee Chair shall attend the annual general meeting of the Company or any general meeting of the Company relating to their area or responsibility prepared to respond to any shareholder questions on the Committee's activities.

10.2 The Chair should seek engagement with shareholders and, where relevant, wider stakeholders on significant matters related to their area of responsibility.

## **11. DUTIES**

The Committee has oversight of, and shall carry out the duties below for, the Company and the Group as a whole, as appropriate.

### **11.1 Financial Reporting**

11.1.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly, interim management statements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the external auditor. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

11.1.2 In particular, the Committee shall review and challenge where necessary the Company's financial statements taking into account:

11.1.2.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company/Group;

11.1.2.2 decisions requiring a significant element of judgement;

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

- 11.1.2.4 whether the Company has followed appropriate accounting standards and, where necessary, made appropriate estimates and judgements, taking into account the views of the external auditor;
  - 11.1.2.5 any significant adjustments resulting from any audit;
  - 11.1.2.6 the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made; and
  - 11.1.2.7 all material information presented with the financial statements, such as the business review/operating and financial review, the strategic report and the corporate governance statement (insofar as it relates to the audit and risk management).
- 11.1.3 The Committee shall review the annual report prior to its release in any particular year.
- 11.1.4 The Committee shall, where the Committee Chair considers it appropriate, review other published financial reports produced by the Company from time to time.
- 11.1.5 For the purposes of the viability statement within the Company's financial statements, assessing:
- 11.1.5.1 the current position of the Company's emerging and principal risks, including those that would threaten its business model, future performance, solvency or liquidity and reputation, and how they are managed and mitigated; and
  - 11.1.5.2 the prospects of the Company over such period deemed appropriate.
- 11.1.6 The Committee shall review any other statements which contain financial information and which require Board approval. Any such review will be carried out in advance of Board approval wherever practicable and consistent with any prompt reporting requirements under any law or regulation including the Listing Rules (the "**Listing Rules**") or the Disclosure Guidance and Transparency Rules (the "**Disclosure Guidance and Transparency Rules**") made by the Financial Conduct Authority (the "**FCA**") under section 73A of the Financial Services and Markets Act 2000, as amended and the Market Abuse Regulation, or Rule Book II of Euronext Dublin relating to admission to the Official List of the Irish Stock Exchange (trading as Euronext Dublin) and the applicable sections of Rule Book I (Harmonised Rules) of Euronext, as each may be amended from time-to-time (the "**Irish Listing Rules**") or the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (as amended) , the IMC Rules, and any rules issued by the Central Bank of Ireland under Section 1383 of the Irish Companies Act 2014 as each may be amended from time to time (the "**Irish Transparency Rules**");
- 11.1.7 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.

## 11.2 Narrative Reporting

The Committee shall review the financial contents of the annual report and accounts and advise the Board (where requested by 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 position and 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. Final approval of the annual report and accounts and half year report remains the responsibility of the Board.

## 11.3 Internal Controls and Risk Management Systems

The Committee shall:

- 11.3.1 keep under review the Company's internal financial controls and review the adequacy and effectiveness of the Company's internal control and risk management systems and monitor the proper implementation of such controls;
- 11.3.2 review and approve the statements to be included in the annual report concerning internal controls and risk management;
- 11.3.3 review and approve statements explaining how assets have been invested with a view to spreading investment risk;
- 11.3.4 ensure that the annual report includes a summary of the valuation of the Company's investment portfolio in accordance with the Listing Rules;
- 11.3.5 consider at least annually whether there is a need for an independent valuation of the Company's investment portfolio; and
- 11.3.6 consider annually whether there is a need for the Company to have its own internal audit function.

## 11.4 Compliance, whistleblowing and fraud

The Committee shall:

- 11.4.1 review the adequacy and security of the Company's arrangements for its employees and contractors 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;
- 11.4.2 review the Company's procedures for detecting fraud;
- 11.4.3 review the Company's systems and controls for the prevention of bribery and tax-evasion and receive reports on non-compliance;

- 11.4.4 review the adequacy and effectiveness of the Company's anti-money laundering systems and controls;
- 11.4.5 review the adequacy and effectiveness of the Company's compliance function; and
- 11.4.6 annually, review all whistleblowing concerns raised during the course of that financial year and report the same (if any) to the Board together with a summary of the actions taken by the Company in response to such concerns.

## 11.5 Internal Audit

The Committee shall consider annually whether there is a need for an internal audit function.

If an internal audit function has been established, the Committee shall:

- 11.5.1 approve the appointment and removal of the head of the internal audit function;
- 11.5.2 consider and approve the remit 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. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
- 11.5.3 ensure the internal auditor has direct access to the Chair and to the Committee Chair, and is accountable to the Committee;
- 11.5.4 review and assess the annual internal audit plan;
- 11.5.5 review all reports on the Company from the internal auditors;
- 11.5.6 review and monitor management's responsiveness to the findings and recommendations of the internal auditor;
- 11.5.7 meet the head of internal audit at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the Chair and to the Committee; and
- 11.5.8 monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management systems.

As at the date of adoption of this updated Terms of Reference, the Committee has determined that there is not a requirement for an internal audit function to be established, however this shall remain under annual review as set out above.

## 11.6 External Audit

The Committee shall:

- 11.6.1 consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting of shareholders, in relation to the appointment, re-appointment and removal of the external auditor. The Committee shall oversee the selection process for new auditors and if an external auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required to remedy the situation;
- 11.6.2 ensure that at least once every 10 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 external 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 as is necessary to information and individuals during the duration of the tendering process;
- 11.6.3 oversee the relationship with the external auditor including (but not limited to):
  - 11.6.3.1 recommendations on their remuneration, whether fees for audit or non audit services and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
  - 11.6.3.2 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - 11.6.3.3 assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the external auditor as a whole, including any threats to the external auditor's independence and the safeguards applied to mitigate those threats and the provision of any non audit services;
  - 11.6.3.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity;
  - 11.6.3.5 review and approve the Company's hiring policy regarding partners, employees and former partners and employees of the present and any former auditor, then monitoring the implementation of this policy;
  - 11.6.3.6 monitoring the level of fees paid by the Company to the external auditor compared to the overall fee income of the firm and assess these in the context of relevant legal, professional and regulatory requirements, guidance and ethical standards;

- 11.6.3.7 assessing annually their qualifications, expertise and resources and independence of the external auditor and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements, which shall include a report from the external auditor on their own internal quality procedures;
  - 11.6.3.8 seeking to ensure co-ordination with the activities of the internal audit function;
  - 11.6.3.9 considering the risk of the withdrawal of the Company's present external auditor from the market; and
  - 11.6.3.10 evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their external auditor from the market in that evaluation;
- 11.6.4 develop and recommend to the Board the Company's formal policy on the provision of non-audit services by the external auditor and implement such policy, including approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include consideration of the following matters:
- 11.6.4.1 threats to, and the impact upon, the independence and objectivity of the external auditor and any safeguards in place, taking into account any relevant regulations and ethical guidance in this regard;
  - 11.6.4.2 the nature of the non-audit services;
  - 11.6.4.3 whether the audit firm is the most suitable supplier of the non-audit service;
  - 11.6.4.4 the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
  - 11.6.4.5 the criteria governing compensation;
- 11.6.5 meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit;
- 11.6.6 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, having regard to the seniority, expertise and experience of the audit team;

- 11.6.7 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
- 11.6.7.1 a discussion of any major issues which arose during the audit;
  - 11.6.7.2 the external auditor's explanation of how the risks to audit quality were addressed;
  - 11.6.7.3 any accounting and audit judgements;
  - 11.6.7.4 the external auditor's view of their interactions with the Board;
  - 11.6.7.5 the external auditor's view of their interactions with employees or other personnel of the Company or of any member of the Group, including, without limitation, the senior management of the Company's fund manager and/or of any other fund manager within the Group, as applicable;
  - 11.6.7.6 levels of errors identified during the audit; and
  - 11.6.7.7 the effectiveness of the audit;

The Committee shall also:

- 11.6.8 review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the external auditor, and the external auditor's response to questions from the Committee;
- 11.6.9 review any representation letter(s) requested by the external auditor before they are signed by management; and
- 11.6.10 review the management letter and the Board and/or management's response to the external auditor's findings and recommendations.

## 11.7 Valuation Responsibilities

The Committee shall carry out its valuation responsibilities for the Company, major subsidiary undertakings and the Group as a whole, as appropriate. In particular, the Committee shall:

- 11.7.1 review the Company's valuation policies and procedures at least annually, and recommend any changes to the Committee and the Board;
- 11.7.2 following the recommendation from the Chief Financial Officer in accordance with paragraph 11.7.7 below, implement the valuation policies and procedures adopted by the Board by determining and recommending to the Committee and the Board valuations to be placed on the investment assets of the Group for the purposes of the Company's consolidated accounts;

- 11.7.3 following the recommendation from the Chief Financial Officer in accordance with paragraph 11.7.7 below, consider and recommend to the Committee and the Board all other matters relating to valuations for the purpose of the Company's accounts and the consolidated accounts of the Company and its subsidiaries;
- 11.7.4 oversee and monitor the manner in which members of the Group implement the Company's valuations policies and procedures in its valuations of the investment assets of the Group; and
- 11.7.5 note any changes that members of the Group make to the application of the Company's valuations policies and procedures.

In addition:

- 11.7.6 valuations will be performed half-yearly and will be managed within the team responsible for the finance functions within the Group and then presented to and approved by the Committee. Valuations at 30 September and audit at 31 March each year are further subject to review by the Group's external auditors;
- 11.7.7 valuations will be reviewed by the Chief Financial Officer, who has ultimate responsibility for the valuation of the Group's investments. The Chief Financial Officer may make recommendations to the Committee and the Committee will be provided with sufficient underlying data to support the Chief Financial Officer's recommendations and computations. The Committee will review, challenge and, where thought fit, approve the valuations proposed by the Chief Financial Officer; and
- 11.7.8 valuations will be performed and determined in accordance with the requirements set out in the UK implementation of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; and the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019; the rules of the Financial Conduct Authority in respect of valuations; the International Financial Reporting Standards; the UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) and the current version of the International Private Equity and Venture Capital Valuation Guidelines. Valuations may be based on earnings or revenues where applicable, market comparables, price of recent investments in the investee companies, or on net asset values having due regard to the requirements set out in this paragraph 11.7.8.

## 11.8 Risk Responsibilities

The Committee shall assist the board in fulfilling its oversight responsibilities by reviewing and monitoring:

- 11.8.1 the Group's system of internal controls and risk management;
- 11.8.2 risk reporting; and
- 11.8.3 the processes for compliance with laws, regulations and ethical codes of practice and prevention of fraud.

In discharging its risk responsibilities, the Committee shall:

- 11.8.4 consider the appropriate risk appetite for the Group across all major activities, taking into account the overall strategy of the Group; its future plans and other internal information; environmental, social and governance (ESG) concerns; and the external business environment, including economic, political and industry information;
- 11.8.5 on an annual basis, ensure that a robust assessment of the emerging and principal risks facing the Group has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity) and provide advice on the management and mitigation of those risks;
- 11.8.6 oversee and periodically review the current and prospective risks faced by the Group, its strategy in relation to future risks, and its risk reporting measures;
- 11.8.7 consider whether risks have been properly considered in relation to all major transactions, including but not limited to investments, mergers and acquisitions, disposals, joint ventures and significant capital commitments;
- 11.8.8 review the effectiveness of the Group's internal controls including financial reporting controls and risk management systems and approve associated disclosures and statements in the annual report and accounts;
- 11.8.9 review the aspects of reports of internal and external auditors that have implications for risk management and internal controls; and
- 11.8.10 consider, and where appropriate determine, the major findings of any relevant internal investigations into risk and control weaknesses, fraud, or misconduct and management's response.

## 11.9 Reporting Responsibilities

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

- 11.9.1.1 the significant issues that it considered in relation to the financial statements (required under paragraph 11.1.1) and how these were addressed;
  - 11.9.1.2 its assessment of the effectiveness of the external audit process (required under paragraph 11.6.8), the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans; and
  - 11.9.1.3 any other issues on which the Board has requested the Committee's opinion.
- 11.9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.9.3 The Committee shall compile a report to shareholders on its activities, including its membership and frequency of and attendance at its meetings, to be included in the Company's annual report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process (including the provision of non-audit services and an explanation of how, if the external auditor provides non-audit services to the Company, auditor objectivity and independence, is safeguarded); the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the external auditor; its recommendation on the appointment or reappointment of the external auditor, including the length of the incumbent auditor's tenure, when a tender was last conducted and any contractual provisions restricting the Committee's choice of auditor, and the amount of fees paid to the external auditor for any of its services; and all information requirements set out in the Code.
- 11.9.4 Specifically in connection with risk reporting, the Committee shall:
- 11.9.4.1 review the reporting of key risks in the annual report and accounts and the half-yearly report, ensuring it is consistent with the internal reporting of key risks.
  - 11.9.4.2 provide advice on how, taking into account the Group's position and principal risks, the Group's prospects have been assessed, over what period and why the period is regarded as appropriate. The Committee shall also advise on whether there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the said period, drawing attention to any qualifications or assumptions as necessary.
- 11.9.5 In compiling the reports referred to in paragraphs 11.9.1 and 11.9.3, 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 may provide cross-references to that information.

#### 11.10 Other Matters

The Committee shall:

- 11.10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, the internal auditors (or any) or external auditors for assistance as required;
- 11.10.2 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;
- 11.10.3 give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation, the UK version of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended by The Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019, the Market Abuse Regulation, the Irish Market Abuse Regulation, the European Union (Prospectus) Regulations 2019 of Ireland (as amended), the IMC Rules and any rules issued by the Central Bank of Ireland under section 1363 of the Companies Act 2014 of Ireland as each may be amended from time to time, the Irish Listing Rules, the Irish Transparency Rules and any other applicable rules, as appropriate;
- 11.10.4 be responsible for co-ordination of the internal and external auditors;
- 11.10.5 oversee any investigation of activities which are within its terms of reference;
- 11.10.6 arrange for periodic review 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
- 11.10.7 work and liaise as necessary with all other Board committees, taking particular account of the impact of any risk management and internal controls being delegated to different committees.

## 12. AUTHORITY

The Committee is authorised:

- 12.1 to seek any information it requires from any member of the Board or any officer or any employee of the Group in order to perform its duties;
- 12.2 to obtain, at the Company's expense, outside legal, accounting or other professional advice on any matter within its terms of reference;
- 12.3 to call any officers or employees of the Group to be questioned at a meeting of the Committee as and when required; and
- 12.4 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, including issues relating to the appointment, reappointment or removal of the external auditor.