

DISCOVERIE GROUP PLC
TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE (the “Committee”)

1. Membership

- 1.1 The Committee shall comprise at least two members and all members shall be independent non-executive directors. Where possible, the Committee shall include at least one member of the Remuneration Committee. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Committee Chair. Appointments shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members continue to be independent.
- 1.2 At least one member of the Committee shall have recent and relevant financial experience and the Committee as a whole shall have competence relevant to the sector in which the Company operates. The Chair of the Board shall not be a member of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, the other members of the Board, Head of Group Reporting, Head of Risk & Internal Audit and external audit lead partner will be invited to attend meetings of the Committee on a regular basis and other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

2. Secretary

The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3. Quorum

The quorum necessary for the transaction of business shall be two members.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 4.2 Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company’s governance, including the Chair of the Board, the Group Chief Executive, the Group Finance Director, the external audit lead partner and the Head of Risk & Internal Audit.

5. Notice of Meetings

- 5.1 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 auditor lead partner or Head of Risk & Internal Audit if they consider it necessary.
- 5.2 Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to the Committee members and to other attendees, as appropriate, at the same time.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless, exceptionally, it would be inappropriate to do so.

7. Annual General Meeting

The Committee Chair should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

8. Duties

The Committee should have oversight of the Group as a whole and, unless required otherwise by regulation, carry out the duties below for the parent 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, preliminary announcements and any other formal statements relating to its financial performance, and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor.
- 8.1.2 In particular, the Committee shall review and challenge where necessary:
 - 8.1.2.1 The application of significant accounting policies and any changes to them.
 - 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 policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements.

- 8.1.2.4 The clarity and completeness of disclosures in the financial statements and the context in which statements are made.
- 8.1.2.5 All material information presented with the financial statements, including the strategic report, the corporate governance statements relating to the audit and to risk management and, in conjunction with the Sustainability Committee, any key assumptions or conclusions relating to ESG matters that are or should be reflected in the financial statements.
- 8.1.3 The Committee shall review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook.
- 8.1.4 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

8.2 Narrative Reporting

Where requested by the Board, the Committee should review the content of the Annual Report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy and whether it informs the Board's statement in the Annual Report on these matters that is required under the UK Corporate Governance Code (the "Code").

8.3 Risk Management and Internal Controls

The Committee shall:

- 8.3.1 Advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities.
- 8.3.2 Ensure that a robust assessment of the principal risks facing the Group has been undertaken (including those risks that would threaten its business model, future performance, strategy, solvency or liquidity and including without limitation cyber and ESG related risks) and provide advice on the management and mitigation of those risks.
- 8.3.3 Review regularly the Group risk register and approve the methodology adopted.
- 8.3.4 Review and monitor the effectiveness of the Company's internal financial control systems that identify, assess, manage and monitor financial risks and other internal control and risk management systems; and, at least annually, carry out a review of their effectiveness, and review and approve the statement to be included in the Annual Report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement.
- 8.3.5 Provide advice on how, taking into account the Company's position and principal risks, the Company's prospects have been addressed, 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 Company will be able to continue in operation and meet its liabilities as they fall due over the same period, drawing attention to any qualifications or assumptions as necessary.

- 8.3.6 Support the Board in preparing the internal controls declaration required under Provision 29 of the Code, ensuring that the Board receives appropriate evidence to support the declaration, including the effectiveness of the Company's financial, operational, reporting and compliance controls.

8.4 Compliance, Speaking-Up and Fraud

The Committee shall:

- 8.4.1 Review the adequacy and security of the Company's arrangements for its employees, contractors and external parties 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.
- 8.4.2 Review the Company's procedures for detecting fraud.
- 8.4.3 Review the Company's systems and controls for ethical behaviour, the prevention of bribery and modern slavery, and receive reports on non-compliance.

8.5 Internal Audit

The Committee shall:

- 8.5.1 Approve the appointment and removal of the Head of Risk & Internal Audit.
- 8.5.2 Review and approve the role and mandate of the internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation.
- 8.5.3 Review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business and receive regular reports on work carried out and review the scope of internal controls declarations as required by the Code.
- 8.5.4 Ensure that the internal audit function has unrestricted scope, the necessary resources (including external resources and outsource providers, as appropriate) and access to information to enable it to perform its function effectively, ensure there is open communication between different functions and that the Head of Risk & Internal Audit evaluates the effectiveness of these functions as part of the internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors.
- 8.5.5 Ensure that the Head of Risk & Internal Audit has direct access to the Chair of the Board and to the Committee Chair, providing independence from the executive and accountability to the Committee.
- 8.5.6 Carry out an annual assessment of the effectiveness of the internal audit function and as part of this assessment:

- 8.5.6.1 Meet with the Head of Risk & Internal Audit without the presence of management to discuss the effectiveness of the function.
- 8.5.6.2 Review and assess the annual risk and internal audit work plan.
- 8.5.6.3 Receive a report on the results of the Risk & Internal Audit function.
- 8.5.6.4 Determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business.
- 8.5.6.5 Review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.
- 8.5.7 Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system and the work of compliance, finance and the external auditor.
- 8.5.8 Consider whether an independent, third party review of processes is appropriate.

8.6 External Audit

The Committee shall:

- 8.6.1 Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor.
- 8.6.2 Develop and oversee the selection procedure for the appointment of the audit firm in accordance with applicable Code and regulatory requirements (including as a minimum putting the audit service contract out to tender at least once every ten years), ensuring that all tendering firms have access to all necessary information and individuals during the tendering process.
- 8.6.3 If an external auditor resigns, investigate the issues leading to this and decide whether any action is required.
- 8.6.4 Oversee the relationship with the external auditor. In this context the Committee shall:
 - 8.6.4.1 Approve their remuneration, including fees for both audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted.
 - 8.6.4.2 Approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- 8.6.5 Monitor the level of fees paid by the Company to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of relevant legal, professional and regulatory requirements, guidance and the Ethical Standard.

- 8.6.6 Assess annually the external auditor's independence and objectivity taking into account the relevant law, regulation, the Ethical Standard and other professional requirements and the Group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats, including the provision of any non-audit services.
- 8.6.7 Monitor the auditor's processes for maintaining independence, its compliance with relevant law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of audit partner and staff.
- 8.6.8 Assess annually the qualifications, expertise and resources, and independence of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures.
- 8.6.9 Seek to ensure coordination of the external audit with the activities of the internal audit function.
- 8.6.10 Evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee.
- 8.6.11 Seek reassurance from the external auditor and their staff and satisfy itself that they have no relationships with the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity.
- 8.6.12 Agree with the Board the Company's policy on employment of former employees of the Company's external auditor, taking into account the Ethical Standard and legal requirements and monitor the application of this policy.
- 8.6.13 Develop and recommend to the Board the Company's formal policy on the external auditor's provision of non-audit services, including the Committee's prior approval of non-audit services 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:
 - 8.6.13.1 Threats to the external auditor's independence and objectivity and any safeguards in place to eliminate or reduce threats.
 - 8.6.13.2 The nature of the non-audit services.
 - 8.6.13.3 Whether the external audit firm is the most suitable supplier of the non-audit service.
 - 8.6.13.4 The fees for the non-audit services, both for individual services and in aggregate, relative to the audit fee, including special terms and conditions.
 - 8.6.13.5 The criteria governing compensation.
- 8.6.14 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.

- 8.6.15 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 auditor's remit and any issues arising from the audit.
- 8.6.16 Review the findings of the audit with the external auditor. This shall include (but not be limited to) the following:
 - 8.6.16.1 A discussion of any major issues that arose during the audit.
 - 8.6.16.2 The auditor's explanation of how the risks to audit quality were addressed.
 - 8.6.16.3 Key accounting and audit judgements.
 - 8.6.16.4 The auditor's view of their interactions with senior management.
 - 8.6.16.5 Levels of errors identified during the audit.
- 8.6.17 Consider communications from the external auditor on audit planning and findings on material weaknesses in accounting and internal control systems that come to the auditor's attention, including a review of material items of correspondence between the Company and the external auditor.
- 8.6.18 Review any representation letter(s) requested by the external auditor before it is (they are) signed by management.
- 8.6.19 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.
- 8.6.20 Review the effectiveness of the audit process, including:
 - 8.6.20.1 An assessment of the quality of the audit.
 - 8.6.20.2 The handling of key judgements by the auditor, and the auditor's responses to the Committee's questions.
 - 8.6.20.3 Obtaining feedback from key people on the conduct of the audit.
 - 8.6.20.4 Reviewing and monitoring the content of the external auditor's management letter and reporting to the Board on the effectiveness of the audit process.

9. Reporting Responsibilities

- 9.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:
 - 9.1.1 The significant issues that it considered in relation to the financial statements and how these were addressed.

- 9.1.2 Its assessment of the effectiveness of the external audit process, 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.
 - 9.1.3 Any other issues on which the Board has requested the Committee's opinion.
- 9.2 The Committee shall compile a report on its activities to be included in the Company's Annual Report. The report should:
- 9.2.1 Include details of the membership of the Committee and the number of meetings held over the course of the year.
 - 9.2.2 Describe the work of the Committee, including the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed.
 - 9.2.3 An explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans.
 - 9.2.4 The Committee's policy for approval of non-audit services and how auditor independence and objectivity is safeguarded if the external auditor provides non-audit services, the audit fees for the statutory audit, for audit related services and other non-audit services, having regard to matters communicated to it by the auditor and all other information requirements set out in the Code.
 - 9.2.5 An explanation of how the Committee has addressed the effectiveness of the internal audit process.
 - 9.2.6 Any other issues on which the Board has requested the Committee's opinion.
- 9.3 In compiling the above reports, 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.
- 9.4 The report to shareholders need not repeat information disclosed elsewhere in the annual report.
- 9.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other Matters

The Committee shall:

- 10.1 Operate in accordance with the FRC Audit Committee Minimum Standard, as updated from time to time.
- 10.2 Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for advice and assistance as required.
- 10.3 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.

- 10.4 Give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.
- 10.5 Be responsible for oversight of the coordination of the internal and external auditors.
- 10.6 Oversee any investigation of activities which are within its terms of reference.
- 10.7 Work and liaise as necessary with all other Board Committees ensuring interaction between Committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls being delegated to different Committees.
- 10.8 Ensure that a periodic evaluation of the Committee's performance is carried out.
- 10.9 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.

11. Authority

The Committee is authorised to:

- 11.1 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 professional advice on any matter within its terms of reference as it considers necessary.
- 11.2 Obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter if it believes it is necessary to do so.
- 11.3 Seek any information it requires from any employee of the Company in order to perform its duties.
- 11.4 Call any employee to be questioned at a meeting of the Committee as and when required.
- 11.5 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. If the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.

Adopted: 26 January 2026