



**EQUITY GROUP HOLDINGS PLC**

**BOARD AUDIT COMMITTEE**

**TERMS OF REFERENCE**

Approved by the Board at the meeting held on .....12th March..... 2023

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## **TERMS OF REFERENCE**

### **1. Strategy of the Group**

- a) Ensure that Management establishes and implements an appropriate strategic risk management framework.
- b) Review reports prepared by Internal Audit and other assurance providers regarding the Group's Strategy and ensure that their recommendations are addressed by Management within the agreed timelines.

### **2. Financial Affairs of the Group**

- (a) Ensure that accounts are prepared by management in a timely and accurate manner to facilitate prompt publication.
- (b) Review the quarterly and annual financial statements from time to time with the external auditor and management as appropriate with regard to:
  - I. Significant financial reporting issues and judgements made in connection with the preparation of the Group's financial statements.
  - II. Major issues regarding the Group's accounting and auditing principles and practices, review the consistency of and approve any changes to accounting policies across the Group:
  - III. The results of audit, which should include a review of any audit problems or difficulties encountered by the external auditor in the course of the audit work, including any restrictions on the scope of activities or access to required personnel or information, and any disagreements with management; and
  - IV. Principles of accounting proposed or promulgated by the regulatory accounting authorities.
- c. Recommend financial statements to the Board for consideration and approval.

### **3. External Audit**

- (a) Make recommendations to the Board, to enable it to put forward recommendations to the shareholders for their approval in the general meeting, in relation to the appointment, re-appointment and the removal of the external auditors. The Committee shall oversee the selection process for new auditors and review circumstances leading to resignation where such an event occurs.
- (b) To approve the terms of engagement of the external auditors.
- (c) To recommend to the Board, the remuneration of the external auditors.
- (d) Annually obtain and review a report from the external auditors describing any relationships between them and the Group and any other relationships that may adversely affect their independence, consider the independence of the external auditors including considering whether the provision of non-audit services by the external auditors, including considering whether the provision of non-audit services by the external auditors is compatible with their independence.
- (e) Annually review and approve the external auditors proposed audit scope and approach to ensure the completeness of coverage.
- (f) To monitor the auditor's compliance with relevant ethical and professional guidelines 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.
- (g) To oversight co-ordination with the activities of the Internal Audit function.
- (h) To review reports prepared by the external auditors, including their management letter/post audit report and ensure action is taken by management to address recommendations therein within the agreed timelines.
- (i) To assess annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality-control procedures; any material issues raised by its most recent quality-control review or peer review and any inquiry or investigation

by governmental or professional authorities respecting any of its audits within the past five years , together with any steps taken to deal with any such issues.

- (j) At least twice a year, meet separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed privately.

#### **4. Group Internal Audit**

- a) Ensure establishment of a permanent internal audit function commensurate with the nature, size and complexity of the Group's operations.
- b) Review and approve the charter, policy, scope, responsibilities, audit plan, budget, staffing and organizational structure of the Internal Audit function. The Committee shall review the audit plan with specific reference to the procedures for identifying regulatory risks and controlling their impact on the Group, including reviewing correspondence from regulatory authorities and management's responses.
- c) Review internal audit reports and their overall effectiveness and confirm that appropriate management action has been taken.
- d) Annually review the performance and effectiveness of the Internal Audit function.
- e) Review the performance of the Chief Internal Auditor. The Committee shall also endorse the hiring or termination of the services of the Chief Internal Auditor.
- f) Ensure that the Internal Audit function is independent and has the necessary resources, budget, standing and authority to enable it to discharge its functions effectively.
- g) At least twice a year, meet separately with the Chief Internal Auditor to discuss matters that the Committee of the Chief Internal Auditor believes should be discussed privately. In addition, the Chief Internal Auditor will be given the right of direct access to the Chairman of the Committee.

#### **5. Internal Controls**

- (a) Ensure that senior management establishes and maintains an adequate, effective and efficient internal control framework.
- (b) To monitor any significant deficiencies and material weaknesses in internal controls and disclosure controls and procedures, as reported by Internal Audit and the external auditors , and the implementation by management of appropriate remedial actions.
- (c) Consider any matter of significance raised at the Risk Management Committee meetings.
- (d) Review any related party transactions that may arise within the Group.
- (e) To review the effectiveness of procedures for the receipt, retention, resolution and treatment of complaints received by the Group regarding accounting controls or auditing matters and for employees to make confidential and anonymous submissions of concern regarding questionable accounting and auditing matters.
- (f) with anonymity, raise concerns including those of questionable financial reporting, accounting or audit matters.

#### **6. Regulatory Compliance**

- (a) To review the accounting policies and practices of the Group and to consider their compliance with regulatory requirements.
- (b) To review the controls and procedures established by management for compliance with regulatory and financial reporting requirements.
- (c) Advise the Board with respect to the Group's compliance with applicable laws and regulations.

## **7. Regulatory Inspections**

Review findings from regulatory inspections and ensure the deficiencies identified are remedied by management with the agreed timelines.

## **8. Reporting**

Report to the Board on quarterly basis about the Committee activities, issues and related recommendations.

## **9. Other Responsibilities**

- a) Annually review the Committee's and individual members' performance of the duties against targets agreed to by the Committee and report its findings to the Board.
- b) Annually review and assess the adequacy of the Board Audit Committee Charter and recommend any proposed changes to the Board.

## **10. Review of the Committee TOR**

The Committee shall regularly review and assess the adequacy of this TOR and recommend any proposed changes to the Board.