

1 Role

- 1.1 The role of the Committee is to support the Board of Intermediate Capital Group plc ("the Company") and its subsidiaries ("the Group") in overseeing financial reporting; financial controls; internal auditors; external auditors; the treasury operations and the tax operations.

2 Membership

- 2.1 The Committee comprises at least three independent non-executive directors, including at least one member of the Risk Committee. At least one member will have recent and relevant financial experience ideally with a professional qualification from an accountancy institute. The Chairman of the Board will not be a member of the Committee.
- 2.2 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited by the Committee Chairman to attend all or part of meetings.
- 2.3 Appointments to the Committee are made by the Board and will be for a period of up to three years, which may be extended for further periods of up to three-years, provided the Director still meets the criteria for membership of the Committee.
- 2.4 The Board will appoint the Committee chairman. In the absence of the Committee Chairman, the remaining members present will elect a Committee member to chair the meeting.

3 Secretary

- 3.1 The Company Secretary or his or her nominee is the Secretary of the Committee.
- 3.2 The Secretary will be responsible for ensuring that the Committee complies with its terms of reference.

4 Quorum

- 4.1 The quorum necessary for the transaction of business will be two members. Members may attend in person or by telephone or video conference. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.2 Circulated written resolutions will constitute a resolution of the Committee.

5 Frequency of meetings

- 5.1 The Committee will meet at least three times a year and otherwise as required.

6 Notice of meetings

- 6.1 Meetings of the Committee will be convened by the Secretary of the Committee at the request of the Committee Chairman or the Company Chairman.
- 6.2 Unless otherwise agreed with the Committee Chairman, notice of meetings confirming the venue, time and date together with the agenda and supporting papers will be forwarded to each member of the Committee no later than five working days before the date of the meeting. Relevant papers may be made available to other individuals required to attend.

7 Minutes of meetings

- 7.1 The Secretary will minute the proceedings and resolutions of all meetings, record declarations of interests and those present and in attendance.
- 7.2 Draft minutes will be circulated promptly to the Chairman of the Committee and subsequently be circulated to Committee members for approval and the Company Chairman. The approved minutes will be made available to the Board.

8 Annual General Meeting

- 8.1 The Committee Chairman should attend the Annual General Meeting to answer shareholders' questions on the Committee's activities.

9 Duties

9.1 Advice to the Board

- 9.1.1 Recommend the appointment of auditors to fill a casual vacancy.
- 9.1.2 Recommend the member resolution to appoint or reappoint or remove the auditors.
- 9.1.3 Arrange for periodic reviews of the Committee's performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively. Recommend appropriate changes.

9.2 Advice to the Board having received the advice of the CEO and CFO

- 9.2.1 Review on an ongoing basis and recommend for approval the content of the annual report and accounts on the basis that, taken as a whole, the Committee considers the reporting to be fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The review will encompass the going concern and viability statements and those matters required to be complied with or explained under the Corporate Governance Code. Ensure the Risk Committee concurs with all risk related disclosures.
- 9.2.2 Review on an ongoing basis and recommend the preliminary announcement, the half yearly, other interim reports and any financial content (including working capital statements, profit forecasts and pro forma financial information) and related commentary in respect of any regulatory announcement, circular or prospectus. Ensure the Risk Committee concurs with any risk related disclosures.
- 9.2.3 Recommend all distributions (including dividends) having considered the distributable reserves of the Company, the capital adequacy and the liquidity.

9.3 Advice to the Board having received the advice of the CFO

- 9.3.1 Recommend any capitalisation of reserves.

9.4 Advice to the Remuneration Committee

- 9.4.1 Recommend adjustments to any employee's remuneration for events that have been detrimental to the Group including financial errors and events that have exceeded the Board's risk appetite

9.5 Other duties

9.5.1 Review and challenge as necessary:

- 9.5.1.1 Significant financial reporting issues, estimates and judgements
- 9.5.1.2 The application of significant accounting policies and any changes to them
- 9.5.1.3 The methods used to account for significant or unusual transactions where different approaches are possible
- 9.5.1.4 Compliance with appropriate accounting standards
- 9.5.1.5 The clarity and completeness of disclosure in the financial reports and the context in which statements are made
- 9.5.1.6 All material information presented with the financial statements
- 9.5.1.7 Have regard to all applicable regulatory requirements

- 9.5.2 Review (and, at least annually, report to the Board) the Company's internal financial control systems and processes that identify, assess, manage and monitor financial reporting risks and support compliance with financial regulation
- 9.5.3 At least tri-annually and as required, review and approve the following policies:
 - 9.5.3.1 Non-audit fees and services (which shall be recommended to the Board)
 - 9.5.3.2 The employment of former employees of the auditor
 - 9.5.3.3 Group liquidity policy (having received the advice of the CFO)
 - 9.5.3.4 Treasury (having received the advice of the CFO)
 - 9.5.3.5 Tax (having received the advice of the CFO)
 - 9.5.3.6 Whistleblowing
- 9.5.4 Compliance with the above policies and any other policies agreed to be overseen by the Committee, including any external disclosures relating to the policies
- 9.5.5 Based on a report from the Whistleblowing Champion, review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing ("Whistleblowing"). The Committee will ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action
- 9.5.6 Review the adequacy of the Group's procedures for detecting fraud, bribery and corruption
- 9.5.7 Approve the appointment or termination of appointment of the head of internal audit and out-sourced providers of internal audit services
- 9.5.8 Review and approve the role and mandate of 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
- 9.5.9 Having received the advice of the Risk Committee, review and approve the internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out
- 9.5.10 Review the findings of internal audits, ensuring the management responds appropriately to the findings
- 9.5.11 Ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate; ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan; and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors
- 9.5.12 Ensure the internal auditor has direct access to the Company Chairman and to the Committee Chairman, providing independence from the executive and accountability to the Committee
- 9.5.13 Carry out an annual assessment of the effectiveness of the internal audit function; and at least once in every five years commission an external review
- 9.5.14 Ensure that at least once every ten years (or as otherwise necessary to comply with applicable law and guidance) 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 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 tendering process; recommend one firm and one alternative firm to the Board for approval

- 9.5.15 If an external auditor resigns, investigate the issues leading to the resignation and decide whether any action is required
- 9.5.16 Oversee the relationship with the external auditor including (but not limited to):
- 9.5.16.1 Recommendations from management on the auditor's remuneration, approving fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high quality audit to be conducted
 - 9.5.16.2 Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit
 - 9.5.16.3 Assessing annually the auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the 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. The Committee should be satisfied 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
 - 9.5.16.4 Monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Group compared to the audit fee; the overall fee income of the firm, office and partner and other related requirements
 - 9.5.16.5 Assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which will include a report from the external auditor on their own internal quality procedures
 - 9.5.16.6 Encouraging co-ordination with the activities of the internal audit function
 - 9.5.16.7 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 auditor from the market in that evaluation
- 9.5.17 Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) without management being present, to discuss the auditor's remit and any issues arising from the audit
- 9.5.18 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
- 9.5.19 Review the findings of the audit with the external auditor. This will include but not be limited to, the following:
- 9.5.19.1 Risks and other matters disclosed in the auditors' report to members
 - 9.5.19.2 Discussion of any major issues which arose during the audit
 - 9.5.19.3 Key accounting and audit judgements
 - 9.5.19.4 The nature and quantum of errors identified during the audit
 - 9.5.19.5 The effectiveness of the audit process
- 9.5.20 Review any representation letter requested by the external auditor before it is signed by management

- 9.5.21 Review the management letter and management's response to the auditor's findings and recommendations.

10 Reporting

- 10.1 The Committee Chairman will update the Board on its proceedings (noting any approvals made on behalf of the Board) after each meeting.
- 10.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit.
- 10.3 The Committee will produce a report to be included in the company's Annual Report reporting on its activities. The report will comply with best practice disclosures.

11 Other matters

- 11.1 The Committee will have access to sufficient resources to carry out its duties.
- 11.2 The Committee:
- (a) may seek any information it requires from any employee of the company in order to perform its duties;
 - (a) may call any employee to be questioned at a meeting of the committee as and when required; and
 - (b) shall 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.
- 11.3 The Committee will 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.
- 11.4 The Committee is authorised to obtain, at the Company's reasonable expense, outside accounting and other professional advice on any matters within its terms of reference.