

**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 (including tax); internal and external auditors.

**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 Chair 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 Chair to attend all or part of meetings in an observer or contributor capacity.
- 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 appointed Director still meets the criteria for membership of the Committee.
- 2.4 The Board will appoint the Committee Chair. In the absence of the Committee Chair, 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 shall act as the Secretary of the Committee.

**4. QUORUM AND DECISION MAKING**

- 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 Decisions of the Committee shall be made by a majority of Committee members. Any Committee member may have their dissent recorded in the minutes of the meeting if requested.
- 4.3 Written resolutions are also permitted, subject to circulation to all members and approval by a majority of Committee members.

**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 Chair or the Company Chair.
- 6.2 Unless otherwise agreed with the Committee Chair, 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 Chair of the Committee and subsequently be circulated to Committee members for approval and the Company Chair. The approved minutes will be made available to the Board.

## 8. **ANNUAL GENERAL MEETING**

- 8.1 The Committee Chair 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, as appropriate, 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 Chief Executive Officer and/or Chief Financial Officer

- 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<sup>1</sup>.
- 9.2.2 Review on an ongoing basis and recommend the preliminary and other results announcements, 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.
- 9.2.4 Recommend any capitalisation of reserves.

### 9.3 Other duties

- 9.3.1 Review and challenge Committee matters as necessary:
  - (a) Significant financial reporting issues, critical judgments and key sources of estimation uncertainty

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<sup>1</sup> The Risk Committee will review and recommend the statements to be included in the annual report, half-year report, prospectuses and circulars concerning risk management and Sustainability and Environmental, Social, and Governance ("ESG") risk reporting.

- (b) The application of significant accounting policies and/or standards and any changes to current accounting policies and/or standards
- 9.3.2 Review and (at least annually) report to the Board on the Group's reporting controls, including financial reporting controls.
- 9.3.3 At least tri-annually and as required, review and approve the following policies:
  - (a) Non-audit fees and services (which shall be recommended to the Board)
  - (b) The employment of former employees of the auditor
  - (c) Annual Tax strategy (having received the advice of the CFO)
- 9.3.4 Review the adequacy of the Group's procedures for detecting fraud, bribery and corruption.

## 10. **INTERNAL AUDIT**

- 10.1 Approve the appointment or termination of appointment of the Head of Internal Audit as required.
- 10.2 During the year, the Committee shall:
  - 10.2.1 Ensure Internal Audit has unrestricted scope and access to information to enable it to fulfil its mandate.
  - 10.2.2 Ensure the Head of Internal Audit has direct access to the Company Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee.
  - 10.2.3 Receive regular reports from the Head of Internal Audit on the internal audit activities including any material recommendations or findings.
  - 10.2.4 Review the findings of internal audits and consider management's responses as to whether they are appropriate and timely to the findings.
  - 10.2.5 Meet with the Head of Internal Audit at least four times a year, without management being present, to discuss Internal Audit's remit and mandate, any independence concerns related to their work and any other issues arising from the internal audit work being carried out.
- 10.3 Annually, the Committee shall:
  - 10.3.1 Monitor and review the mandate and effectiveness of the Internal Audit function.
  - 10.3.2 Approve the Internal Audit Plan (having received the advice of the Head of Internal Audit) and review and approve the Internal Audit Charter.
  - 10.3.3 Assess whether the Internal Audit function is adequately resourced (having received the advice of the Head of Internal Audit) including use of co-sourcing or external service providers.
  - 10.3.4 At least once every five years commission an external/independent consultant review of the effectiveness of Internal Audit.

## 11. **EXTERNAL AUDIT**

- 11.1 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.

- 11.2 If an external auditor resigns, investigate the issues leading to the resignation and decide whether any action is required and recommend such action to be taken.

- 11.3 Oversee the relationship with the external auditor including (but not limited to):

- 11.3.1 Recommendations from management on the external 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.

- 11.3.2 Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.

- 11.3.3 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.

- 11.3.4 Monitoring the external 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.

- 11.3.5 Assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process, which will include a report from the external auditor on their own internal quality procedures.

- 11.3.6 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.

- 11.3.7 Review and approve the external 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.

- 11.3.8 Review the findings of the audit with the external auditors.

- 11.3.9 Review any representation letter requested by the external auditor before it is signed by management.

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

## 12. **REPORTING**

- 12.1 The Committee Chair will update the Board on its proceedings (noting any approvals made on behalf of the Board) after each meeting.

- 12.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit.

- 12.3 The Committee will produce a report to be included in the Company's Annual Report reporting on its activities. The report shall include an explanation of how the Committee has

followed the Financial Reporting Council's Audit Committees and External Audit: Minimum Standard. The report will comply with best practice disclosures and legal requirements.

13. **OTHER MATTERS**

13.1 The Committee will have access to sufficient resources to carry out its duties.

13.2 The Committee:

13.2.1 May seek any information it requires from any employee of the Group in order to perform its duties.

13.2.2 May call any employee to be questioned at a meeting of the committee as and when required.

13.2.3 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.

13.3 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.

13.4 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.