

Title:	Terms of Reference – Audit & Risk Committee
Company Name:	Hansard Global plc
ERM Group Risk Category:	Strategic Risk (Governance & Conduct)
Terms of Reference Applicable To:	HG plc Audit & Risk Committee
Date Last Reviewed by the Board: (include name of Board)	HG plc December 2022
Date of Next Review:	December 2023
Document Sponsor:	HG plc Audit & Risk Committee
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If applicable, title of the Regulation or Legislation that requires the Board to have this ToR in Place.	<ul style="list-style-type: none"> • The UK Corporate Governance Code 2018 • The Isle of Man Corporate Governance Code of Practice for Commercial Insurers 2018 • The Central Bank of Ireland Corporate Governance Requirements for Insurance Undertakings 2015
Review Frequency:	Annual, or more frequently if required
Current Status:	Approved

1. PURPOSE AND AUTHORITY

- 1.1 These terms of reference identify and formalise the roles, tasks and responsibilities of the Audit & Risk Committee of Hansard Global plc and the authority delegated to the Committee by the Board of Directors of the Company to monitor the Group's financial reporting, risk management, internal control and assurance frameworks. References to 'Group' mean the Company and its subsidiaries.

2. MEMBERSHIP

- 2.1 The Committee is appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Committee (the **Committee Chair**) and consists of a minimum of three Independent Non-Executive Directors. A person who is not a member of the Board may be appointed to the Committee.
- 2.2 At least one member of the Committee has competence in accounting and/or auditing and the Committee as a whole has competence relevant to the Group's strategy and operations. At least one member will have recent and relevant financial experience.
- 2.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals including without limitation, other Board members, the Group CEO and Executive members of subsidiary companies, the Head of Internal Audit and the Group Head of Risk and Compliance, as well as other Senior Management representatives, may be invited to attend all or part of any meeting, as and when appropriate and necessary, with the agreement of the Committee Chair.
- 2.4 The External Auditor and the CFO will be invited to attend all meetings of the Committee, unless agreed otherwise with the Committee Chair, provided that the external auditor is invited to attend not less than two meetings in each calendar year.
- 2.5 Appointments to the Committee will be for a period of up to three years, which may be extended, provided the individual still meets the criteria for membership of the Committee.
- 2.6 The Board appoints the Committee Chair who is an Independent Non-Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present elect one of themselves to chair the meeting.
- 2.7 If a regular member is unable to act due to absence, illness or any other cause, the member, or failing him the Committee Chair, may appoint another Independent Non-Executive Director of the Company to serve as an alternate member.

- 2.8 Where the business of the Committee meeting includes the review of actual or potential conflicts of interest of, and authorisations given by the Board or Committee to, members of the Committee, the affected member will not participate in the review or in discussions or decisions of the Committee which relate to that member (and will not be counted in the quorum of the meeting for the purpose of any such review, discussions or decisions).

3. SECRETARY

- 3.1 The Company Secretary or their nominee will act as the secretary of the Committee (the Secretary).

4. QUORUM AND VOTING

- 4.1 The quorum necessary for the transaction of business is two Independent Non-Executive Directors, including at least one member who has relevant financial experience. The required Directors meeting either in person or by telephone/video will constitute a quorum. 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 In the event of an equality of votes, the Committee Chair will have a casting vote.

5. FREQUENCY OF MEETINGS

- 5.1 The Committee will meet not less than four times a year at appropriate times in the reporting and audit cycle and at such other times as required.
- 5.2 Outside of the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the Group's governance, including the Board Chair, the CEO, the CFO, the External Audit lead partner, Head of Internal Audit, and the Group Head of Risk and Compliance and the Appointed Actuary of the Group's insurance subsidiaries.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee will be convened by the Secretary at the request of any of its members, or at the request of the CEO, or CFO, or at the request of external or internal auditors.

- 6.2 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, will be forwarded to each member of the Committee, not less than five working days prior to the date of the meeting. Supporting papers will be sent to members of the Committee and any other persons required to attend, at the same time if practicable. Copies of the agendas, papers, and minutes may be circulated, or made available to the other Non-Executive Directors and to attendees as appropriate and as agreed.
- 6.3 Notices, agendas and supporting papers will be sent in electronic form.

7. MINUTES OF MEETINGS

- 7.1 The Secretary will prepare minutes of the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings will be agreed with the Committee Chair and then circulated promptly to all members of the Committee unless it would be inappropriate to do so in the opinion of the Committee Chair and/or a conflict of interest exists.
- 7.3 Final signed copies of the minutes of the meetings of the Committee will be maintained for the Company's records.

8. ANNUAL GENERAL MEETING

- 8.1 The Committee Chair will attend the Annual General Meetings of the Company and will be prepared to respond to any questions from shareholders concerning the Committee's activities

9. DUTIES

9.1 Financial Reporting

- (a) The Committee will monitor the integrity of the individual and consolidated financial statements of the Group, including annual and interim reports, preliminary results' announcements and any other formal statements relating to 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. The Committee will 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.

- (b) In particular, the Committee will review and challenge where necessary, taking into account the views of the external auditor:
 - (i) The application of significant accounting policies used in the preparation of the financial statements, and any changes to them;
 - (ii) The methods used to account for significant or unusual transactions where different approaches are possible;
 - (iii) Whether the Group has adopted appropriate accounting policies and made appropriate estimates and judgements;
 - (iv) The clarity and completeness of disclosure in the Group's financial reports and the context in which statements are made;
 - (v) All material information presented with the financial statements, including the strategic report and the corporate governance statement (insofar as it relates to the Group's financial reporting arrangement, the internal and external audit, internal financial controls and risk management);
 - (vi) The assumptions or qualifications in support of the going concern statement (including any material uncertainties as to the Group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements) and the longer term viability statement (including an assessment of the prospects of the Group looking forward over an appropriate and justified period).
 - (vii) Where requested by the Board, the Committee will provide advice on how, taking into account the Group's position and principal risks, the prospects of the Group have been assessed, over what period and why the period is regarded as appropriate; and
 - (viii) Any significant adjustments resulting from the audit.
- (c) The Committee will verify the appropriateness of the actuarial methods and assumptions, and changes thereto, used in the Group financial statements and material regulatory returns.

- (d) Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Group, it will report its views to the Board.

9.2 Narrative Reporting

The Committee will 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 Group's position and performance, business model and strategy in order to assist the Board in preparing its statement in the annual report on these matters as is required under the UK Corporate Governance Code, as amended from time to time (the **Code**).

9.4 Internal Controls and Risk Management

The Committee will:

- (a) Keep under review the Group's internal financial controls (being the systems established to identify, assess, manage and monitor financial risks) and other internal control and risk management systems relating to financial reporting;
- (b) Consider the major findings of any internal investigations into control weaknesses, fraud or misconduct;
- (c) Review and monitor management's responsiveness to addressing control weaknesses and non-compliance with laws, regulations and internal policies and other weaknesses identified by the risk & compliance function, internal audit function and the external auditor;
- (c) Conduct a robust assessment of the emerging and principal risks facing the Group and provide comfort to the Board that risks are being managed and controlled within the Board's overall risk appetite, and that the Group's Enterprise Risk Management System is effective and proportionate to the nature, scale and complexity of the risks inherent in the business.
- (d) Monitor IT, information security (including cyber security), compliance, corporate security and similar areas of operational risk;

- (e) Review and approve the statements to be included in the annual report concerning internal controls, and risk management relating to financial reporting; and
- (f) Actively engage with, and contribute to, the Group's Own Risk and Solvency Assessment (ORSA), ultimately recommending it to the Board for further discussion and approval.
- (g) Receive and consider reports from subcommittees of the Audit & Risk Committee, which may be established from time to time under Terms of Reference approved by the Committee.

9.5 Compliance, Whistleblowing and Fraud

The Committee will:

- (a) Review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible improprieties in financial reporting or other matters. The Committee will ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- (b) Review the Group's procedures for detecting fraud;
- (c) Review the Group's systems and controls for the prevention of bribery and receive reports on non-compliance, following up with the required actions when necessary;
- (d) Review regular reports from the Money Laundering Reporting Officers and assess and the adequacy and effectiveness of the Group's anti-money laundering systems and controls; and
- (e) Review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Group's compliance function;
- (f) Review regular reports from the Data Protection Officer, and keep under review the adequacy and effectiveness of the Group's data protection arrangements.

9.6 Internal Audit

The Committee will:

- (a) Review and approve the role and mandate of the Group Internal Audit Department, 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;

- (b) Approve the Group's annual Internal Audit budget;
- (c) Ensure the Internal Audit Department has unrestricted scope, the necessary resources and unfettered access to information and persons in relevant functions to enable the Department to fulfil its mandate;
- (d) Review and approve the annual Internal Audit plan, and any interim updates to the Plan, to ensure it is aligned with the key risks of the business and receive regular reports on work carried out;
- (e) Ensure the Head of Internal Audit has direct access to the Board Chair and to the Committee Chair, providing independence from the Executive and accountability to the Committee;
- (f) Monitor and assess the role and effectiveness of the Group's Internal Audit Department in the overall context of the Group's risk management system and the work of the Compliance and the Finance Departments and the External Auditor, including carrying out an annual assessment of the effectiveness of the Internal Audit Department and as part of this assessment:
 - (i) Meet with the Head of Internal Audit at least once a year, without the presence of management, to discuss the effectiveness of the function, and any issues arising from the assurance or consulting work carried out;
 - (ii) Review and assess the annual Internal Audit assurance plan;
 - (iii) Receive a report on the results of the Internal Audit Department's work on a periodic basis;
 - (iv) Determine whether it is satisfied that the quality, experience and expertise of the Internal Audit Department is appropriate for the business;
 - (v) Review and monitor the actions taken by management, and their responsiveness, to implement the findings and recommendations of internal audit and to support the effective working of the internal audit function;
 - (vi) Review and monitor management's responsiveness to findings and recommendations of the CFO, including the progress in addressing internal audit actions;
- (g) Review reports addressed to the Committee from the internal auditor;
- (h) Approve the appointment and removal of the head of internal audit; and

- (i) The Committee may also wish to consider whether an independent, third party review of internal audit effectiveness and processes is appropriate.

9.7 External Audit

The Committee will:

- (a) The Committee will ensure that at least once every ten years the audit services contract is put out to competitive tender, with a change of firm at least every twenty years, to comply with regulatory requirements and to enable the Committee to compare the quality and effectiveness of the services provided by the statutory auditor with those of other audit firms;
- (b) Conduct the tender process for the appointment of the external auditor, ensuring that:
 - (i) It complies with all applicable regulatory and legal requirements and as such includes a first and second choice recommendation in the report on the tender process to the Board;
 - (ii) All tendering firms have such access as is necessary to information and individuals during the tendering process;
- (c) 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 Group's external auditor and to approve the remuneration and terms of engagement of the external auditor;
- (d) If an external auditor resigns, the Committee will investigate the issues leading to this and decide whether any action is required;
- (e) Oversee the relationship with the external auditor including (but not limited to):
 - (i) Negotiating and agreeing for and on behalf of the Board the external auditor's remuneration, whether fees for audit or non-audit services, and ensuring that the level of fees is appropriate to enable a high quality audit to be conducted so that the external auditor's independence and objectivity are safeguarded, noting that such fees for non-audit services will be subject to a cap of 70% of the annual audit fees in the last three consecutive financial years;
 - (ii) Negotiating and agreeing for and on behalf of the Board the external auditor's terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

- (iii) Monitoring, and assessing at least annually, the external auditor's independence and objectivity taking into account relevant applicable law, regulation, the FRC Ethical and Auditing Standards 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;
 - (iv) Satisfying itself that there are no relationships between the auditor and the Group (other than in the ordinary course of business) that could adversely affect the external auditor's independence or objectivity;
 - (v) Monitoring the auditor's processes for maintaining independence, its compliance with relevant applicable law, regulation, other ethical and professional requirements and the FRC's Ethical and Auditing Standards, including the guidance on the rotation of audit partner and staff;
 - (vi) Monitoring the level of fees paid by the Group 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;
 - (vii) Assessing annually the qualifications, expertise and resources and independence of the external auditor and the effectiveness of the external audit process, taking into consideration relevant professional and regulatory requirements and a report from the external auditor on their own internal quality procedures and reviewing any reviews of the auditor published by the Financial Reporting Council's Audit Quality Review;
 - (viii) Seek to ensure co-ordination of the external audit with the activities of the internal audit function; and
 - (ix) 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;
- (f) The provision of any non-audit services shall be approved by the Committee, taking into account:
- (i) Threats to the independence and objectivity of the external auditor and any safeguards in place;
 - (ii) The nature of the non-audit services and fees for such services relative to the audit fee; and

- (iii) Whether the external audit firm is the most suitable supplier of the non-audit service.
- (g) 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 will meet the external auditor at least once a year, without management present, to discuss the auditor's remit and any issues arising from the audit;
- (h) 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;
- (i) Review the findings of the audit with the external auditor. This will include, but not be limited to, the following:
 - (i) A discussion of any major issues which arose during the audit;
 - (ii) The auditor's explanation of how the risks to audit quality were addressed;
 - (iii) Any accounting and audit judgements;
 - (iv) The auditor's view of their interactions with senior management;
 - (v) Levels of errors identified during the audit;
 - (vi) The effectiveness of the audit; and
 - (vii) Views on the general control environment.
- (j) Review any representation letter(s) requested by the external auditor, along with appropriate attestations by management before they are signed.;
- (k) Review the management letter and management's response to the auditor's findings and recommendations; and
- (l) Review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

10. REPORTING RESPONSIBILITIES

- 10.1 The Committee Chair will report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. This report will include:
- (a) The significant issues that it considered in relation to the financial statements and how these were addressed;
 - (b) Where relevant, its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
 - (c) Any other issues on which the Board has requested the Committee's opinion.
- 10.2 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3 The Committee will produce a report on its activities to be included in the Group's annual report. The report will include:
- (a) Details of the membership of the Committee, number of meetings held and attendance over the course of the year;
 - (b) An explanation of how the Committee has addressed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted and advance notice of any retendering plans;
 - (c) Where a competitive tender process has not been completed in a five-year period for the appointment of an external auditor, ensure that the annual report disclosure contains an explanation of why such tender process was not deemed necessary and a confirmation of when the next tender will be;
 - (d) Where the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, a statement explaining its recommendation and the reasons why the Board has taken a different position;
 - (e) If the external auditor provides non-audit services, an explanation of how auditor objectivity and independence are safeguarded;
 - (f) 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 auditor and in exercising such judgement it will at least

consider those matters that have informed the Board's assessment of whether the Group is a going concern and the inputs to the Board's viability statement; and

(g) All other information requirements set out in the Code.

10.4 The Committee will include a description of the following information in the annual report with regards to approval of non-audit services:

- (a) For each significant engagement of category of engagements, an explanation of the services provided and why the Committee concluded that it was in the best interests of the Group to purchase them from the external auditor; and
- (b) The fees paid to the auditor and its network firms for non-audit services, including the ratio of audit to non-audit work.

11. OTHER MATTERS

11.1 The Committee will:

- (a) Have access to sufficient resources in order to carry out its duties, including access to the Group Group Secretary for assistance as required;
- (b) 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;
- (c) Give due consideration to relevant laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules and law, as appropriate;
- (d) Be responsible for co-ordination of the internal and external auditors;
- (e) Work and liaise with all other Board committees where necessary or required, taking particular account of the impact of risk management and internal controls being delegated to different committees;
- (f) Oversee any investigation of activities which are within its terms of reference; and
- (g) Arrange for periodic reviews 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

- (h) Ensure that the responsibilities set out in this section, where applicable, extend to any other major subsidiary undertaking, as determined by the Board of the Group.
- (e) Make available its terms of reference explaining clearly its role and the authority delegated to it by the Board

12. AUTHORITY

The Committee is authorised by the Board:

- (a) To seek any information it requires from any employee of the group in order to perform its duties;
- (b) To consult, at the Group's expense, such persons as it deems appropriate in the performance of its obligations, including to obtain outside legal or other professional advice on any matter it believes necessary to do so;
- (c) To call any employee to be questioned at a meeting of the Committee as and when required;
- (d) To have the right to publish in the Group's annual report details of any issues that cannot be resolved between the Committee and the Board; and
- (e) To sub-delegate any or all of its powers and authority and may establish sub-committees which are to report back to the Committee.

13. PUBLICATION OF TERMS OF REFERENCE

- 13.1 These Terms of Reference will be made available on the Group's website.