



MONY GROUP PLC (the "Company")
TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

1. CONSTITUTION

- 1.1 The Audit Committee (the "**Committee**") has been established by resolution of the Board of Directors of the Company (the "**Board**").
- 1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

2. MEMBERSHIP

- 2.1 The Board shall appoint a chair of the Committee (the "**Chair**") who shall be an independent non-executive director. The Chair of the Committee should have recent and relevant financial experience with a professional qualification from one of the professional accountancy bodies.
- 2.2 The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the Chair.
- 2.3 The Committee shall consist of at least three members, all of whom are independent non-executive directors. The chair of the Board may not be a member of the Committee. The chair of the Risk & Sustainability Committee shall be a member of the Committee.
- 2.4 The Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 2.5 Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two additional three-year periods, provided the non-executive director remains independent (and subject to the election and re-election provisions in the Company's constitution and in the UK Corporate Governance Code 2024 (the "**Code**").
- 2.6 In absence of the Chair and/or any appointed deputy, the remaining members present at a Committee meeting shall elect one of themselves to chair the meeting.
- 2.7 The Board shall regularly review the membership of the Committee to ensure that membership is refreshed, and undue reliance is not placed on particular individuals.

3. QUORUM

- 3.1 The quorum necessary for the transaction of business shall be two members (including, whenever possible, at least one member with recent and relevant financial experience), present in person or by audio or video conference.
- 3.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. ATTENDANCE AT MEETINGS

- 4.1 Only members of the Committee are entitled to be present or vote at a meeting of the Committee. However, other individuals may be invited to attend by the Chair for all or part of any meeting, as and when appropriate and necessary.
- 4.2 Without prejudice to the foregoing provision, the Chair of the Board, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Chief Risk Officer, General Counsel and Company Secretary, a representative of the Chief Financial Officer and a representative of the external auditors/representatives of the finance function, will be invited to meetings on a regular basis.
- 4.3 There should be at least one Committee meeting, or part of a meeting, each year which the external auditors and internal auditors attend without management present to discuss matters relating to its remit and any issues arising from the audit.

5. SECRETARY

- 5.1 The Company Secretary, or their nominee, shall act as the secretary of the Committee (the "**Secretary**"), 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.
- 5.2 The Secretary shall keep a record of:
 - 5.2.1 the membership, and the dates of any changes to the membership, of the Committee; and
 - 5.2.2 any non-audit services provided by the external auditor to enable the Company to make the necessary statement in the annual report on safeguarding the auditor's objectivity and independence.

6. FREQUENCY OF MEETINGS

- 6.1 Meetings shall be held at such times as the Committee deems appropriate, and in any event shall be held not less than three times a year. Where appropriate, meetings should coincide with key dates in the Company's financial reporting and audit cycle.
- 6.2 External auditors or internal auditors may request a meeting if they consider that one is necessary.
- 6.3 Outside the formal meeting programme, the Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the

Company's governance, including the Board chair, the Chief Executive Officer, the Chief Financial Officer, the external audit lead partner and the head of internal audit.

7. PROCEEDINGS

- 7.1 Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the provisions of the Company's Articles of Association ("**Articles**") regarding the meetings and proceedings of Directors.
- 7.2 The Articles provide, amongst other things, that meetings may be held by telephone or video conference and a quorum shall be deemed to be present if at least the number of Committee members required to form a quorum participates by telephone or video conference.
- 7.3 Meetings of the Committee shall be called by the Secretary at the request of the Chair or any member thereof or at the request of internal or external auditors if they consider necessary.
- 7.4 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be made available to each member of the Committee and any other person required to attend no later than 48 hours prior to the date of the meeting.
- 7.5 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The Secretary shall record the proceedings and decisions of meetings of the Committee, including the names of those present and in attendance. The Secretary shall circulate the draft minutes of such meetings to all members of the Committee promptly. Once agreed, the minutes shall be circulated by the Secretary to all members of the Board, unless exceptionally, the Committee decides it would be inappropriate to do so.
- 7.6 Although normally decisions are reached on a consensus, in the event of a disagreement, decisions on any matter are made by the majority, with the Chair having the casting vote in the event of a tie. A Committee member who remains opposed to a proposal after a vote is taken can ask for their dissent to be noted within the minutes.
- 7.7 The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8. AUTHORITY

- 8.1 The Committee is authorised by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorised to seek any information that it requires from any employee or any director in order to perform its duties and all employees and Directors are directed to cooperate with any requests made by the Committee.
- 8.2 The Committee is authorised by the Board to obtain external legal, accounting or other professional advice at the expense of the Company but within any budgetary restraints imposed by the Board and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary.

9. DUTIES

The responsibilities of the Committee shall be:

9.1 Financial reporting

- 9.1.1 To monitor the integrity of the financial reporting process and submit recommendations or proposals to ensure its integrity;
- 9.1.2 To monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements and any formal or informal reports or announcements relating to financial performance, such as preliminary statements of annual accounts, analyst presentations, and to review, and report to the Board on, (1) the significant financial reporting issues and judgments which they contain, having regard to matters communicated by the auditor; (2) the outcome of the audit and how the audit contributed to the integrity of the financial reporting; and (3) the role of the Committee in the process;
- 9.1.3 To report its views to the Board if it is not satisfied with any aspect of the proposed financial reporting by the Company;
- 9.1.4 In relation to 9.1.1, in particular to review and challenge where necessary:
 - (A) significant accounting policies and practices, and any changes to them and any significant estimates or judgements;
 - (B) the methods used to account for significant or unusual transactions where different approaches are possible;
 - (C) whether the Company has followed appropriate accounting policies and made appropriate estimates and judgements, taking into account the views of the external auditor;
 - (D) the clarity, completeness, appropriateness and adequacy of disclosure in the Company's financial statements and whether such disclosures are properly set in context and any changes to those disclosures, including the review of any correspondence between the Company and the external auditor;
 - (E) significant adjustments resulting from the external audit;
 - (F) the appropriateness of adopting the 'going concern' basis of accounting, identifying any material uncertainties as to the Company's ability to continue to operate as a going concern over a period of 12 months from the date of the relevant financial statements;
 - (G) compliance with accounting and financial reporting standards;
 - (H) compliance with stock exchange and other legal requirements; and

- (l) all material information presented with financial statements, including the strategic review and business review and corporate governance statements relating to the audit and to risk management;

9.1.5 Whenever practicable, to review any other statements containing financial information for which Board approval is required; and

9.1.6 Monitor compliance with financial reporting standards and any recognised investment exchange and other financial and governance reporting requirements;

9.2 **Narrative reporting**

9.2.1 Where requested by the Board, the Committee shall 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 Provision 25 of the Code.

9.3 **Internal controls**

9.3.1 To monitor and review the adequacy and effectiveness of the Company's internal financial controls and internal control systems that identify, assess, manage and monitor financial reporting risks;

9.3.2 To review reports received from the Company's management and from the internal and external auditors, on the effectiveness of the internal financial controls and internal control system established and the conclusions of any testing carried out by the internal and external auditors and other third parties;

9.3.3 To review and approve statements to be included in the annual report concerning going concern and the viability statement;

9.3.4 To review material instances of wrongdoing in matters of financial reporting or internal control (including cases of fraud) and assess the appropriateness of follow up actions;

9.4 **Internal audit**

9.4.1 To monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system and to ensure an external assessment of the internal audit function by a third party is undertaken at intervals considered appropriate by the Committee;

9.4.2 To approve the appointment and removal of the head of the internal audit function and to ensure the head of the internal audit is accountable to the Committee;

9.4.3 To consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to

perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;

- 9.4.4 To determine whether it is satisfied that the quality, experience and expertise of the internal audit function is appropriate for the business;
- 9.4.5 To review and assess the annual internal audit plan ensuring it is aligned to the key risks of the business;
- 9.4.6 To review reports addressed to the Committee from the internal audit function;
- 9.4.7 To review and monitor management's responsiveness to the findings and recommendations of the internal audit function;
- 9.4.8 To consider the impact on the effectiveness of the Company's overall arrangements for internal control and on investor perceptions if there is a proposal that the Company's external auditor should undertake aspects of the internal audit function;
- 9.4.9 To ensure the internal audit function evaluates the effectiveness of the risk, compliance and finance functions as part of its internal audit plan (and ensure there is open communication between those functions);
- 9.4.10 To ensure the Chair is engaged in setting objectives for the Head of Internal Audit and reviewing performance against those objectives;
- 9.4.11 To meet the Head of Internal Audit at least once a year, without management being present, to discuss the function and any issues arising from the internal audits carried out. In addition, the Head of Internal Audit shall be given the right of direct access, at any time as the need arises, to the chair of the Board and to the Committee;

9.5 **External audit**

The Committee shall, taking into account any applicable law and legislation, other professional requirements including the Audit Committees and the External Audit: Minimum Standard (Minimum Standard) and the Financial Reporting Standard's Revised Ethical Standard 2019 (Ethical Standard):

Output of audit

- 9.5.1 Review and monitor and assess, at least annually, and report to the Board on, the qualification, expertise and resources, and independence of the external auditor and the effectiveness of the audit process (including an assessment of the quality of the audit, the handling of key judgements by the external auditor, the external auditor's response to questions from the Committee and a report from the external auditor on their own internal quality procedures) and to include in its assessment a recommendation on whether to propose to shareholders that the external auditor should be re-appointed;

- 9.5.2 As part of assessing the effectiveness of the audit process annually:
- (A) to review whether the external auditor has met the agreed audit plan and understand the reasons for any changes;
 - (B) to consider the robustness and perceptiveness of the external auditor in their handling of key accounting and audit judgements identified;
 - (C) to obtain feedback about the conduct of the audit from key employees engaged in the process;
 - (D) to review and monitor the content of the external auditor's management letter and to establish whether recommendations have been acted upon and if not, the reasons why they have not been acted upon; and
 - (E) to take into consideration relevant UK professional and regulatory requirements;
- 9.5.3 Seek to ensure co-ordination between the external auditor and the activities of the internal audit function;
- 9.5.4 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 shall meet the external auditor at least once a year, without management being present, to discuss the auditor's remit and any issues arising out of the audit;
- 9.5.5 Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement and applies appropriate materiality thresholds;
- 9.5.6 Discuss with the external auditor the factors that could affect audit quality, having regard to the seniority, expertise and experience of the audit team;
- 9.5.7 Review the findings of the audit with the external auditor, including but not limited to:
- (A) a discussion of any major issues which arose during the audit;
 - (B) the external auditor's explanation of how the risks to audit quality were addressed;
 - (C) any accounting and audit judgements;
 - (D) the external auditor's view of interactions with senior management;
 - (E) levels of errors identified during the audit; and
 - (F) the effectiveness of the audit;
- 9.5.8 Review any representation letter(s) requested by the external auditor before they are signed and give particular consideration to matters where representation has been requested that relate to non-standard issues;

- 9.5.9 Review and monitor management's responsiveness to the external auditor's findings and recommendations;

Independence of auditor, including non-audit services

- 9.5.10 Review and monitor and assess, at least annually, the independence and objectivity of the external auditor in accordance with current legislation, taking into account relevant UK professional and regulatory requirements (including the Minimum Standard and Ethical Standard) and the relationship with the external auditor as a whole, including the provision of any non-audit services;
- 9.5.11 Satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity (or adversely affect any safeguards in place to guard against such effects), taking into account the Minimum Standard and Ethical Standard;
- 9.5.12 Develop and implement the Company's policy in relation to the engagement of the external auditor for the provision of non-audit services, ensuring there is prior approval of non-audit services, keep the policy under review in order to ensure that the provision of such services does not impair the external auditor's independence or objectivity and to report to the Board on the implementation of the policy and any recommendations on action and/or improvements to be taken;
- 9.5.13 Seek information from the external auditor, on an annual basis, about its policies and procedures for maintaining independence and monitoring compliance with relevant requirements, including regarding the rotation of audit partners and staff;
- 9.5.14 In relation to the provision of non-audit services, in particular to consider:
- (A) whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit services;
 - (B) the impact this may have on independence and whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the external audit resulting from the provision of such services by the external auditor (taking account of the relevant regulations and ethical guidance in this regard);
 - (C) the nature and extent of the non-audit services;
 - (D) the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee; and
 - (E) the criteria which govern the compensation of the individuals performing the audit;

- 9.5.15 Set and apply a formal policy specifying the types of non-audit service for which the use of the external auditor is pre-approved; and for which specific approval from the Committee is required and from which the external auditor is excluded, and an assessment of whether non-audit services have a direct or material effect on the external audit process and resulting audited financial statements;
- 9.5.16 Ensure that, if the external auditor provides non-audit services, an explanation is provided for the shareholders in the annual report on how the external auditor's objectivity and independence is safeguarded, setting out the Committee's policy on the provision of non-audit services and disclosing the details set out in the Minimum Standard and FRC Guidance on Audit Committees (as amended from time to time) in relation to each significant engagement;
- 9.5.17 Agree with the Board a policy on the employment of former employees of the Company's external auditor ensuring it complies with legislative requirements from time to time (and taking into account the Minimum Standard and Ethical Standard) and then monitor the implementation of this policy;
- 9.5.18 Monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners and the level of fees paid by the Company compared to the overall fee income of the firm, office and partner (and assessing these in the context of relevant legal, professional and regulatory requirements, guidance, the Minimum Standard and Ethical Standard) and other related requirements;
- 9.5.19 Evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the Committee;

Appointment, resignation, fees and tendering

- 9.5.20 Be responsible for overseeing the Company's relations with the external auditor;
- 9.5.21 Consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, on the appointment, reappointment and removal of the external auditor;
- 9.5.22 Consider when the external audit contract should be put out to tender taking into account the requirement in the Minimum Standard (and any other applicable regulatory and legislative requirements) to put the external audit contract out to tender at least once every ten years;
- 9.5.23 If and when the Company puts the external audit contract out to tender, to conduct the external audit tendering process and as part of that process to ensure that all tendering firms have access as necessary to information and individuals during the tendering process and to compare the quality and effectiveness of the services provided by the external auditor with those of other audit firms;

- 9.5.24 Approve the external auditor's terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- 9.5.25 Negotiate and agree the remuneration to be paid to the external auditor in respect of audit services provided and to satisfy itself that the level of fee payable is appropriate and that an effective, high quality audit can be conducted for such a fee;
- 9.5.26 If the external auditor resigns, investigate the issues surrounding the resignation and consider whether any action is required;
- 9.5.27 Explain to shareholders in the Committee section of the annual report how the Committee assessed the effectiveness of the external auditor process and how it reached its recommendation to the Board on the appointment, reappointment or removal of the external auditors and include in the explanation supporting information on tendering frequency, the tenure of the incumbent external auditor and any contractual obligations that acted to restrict the Committee's choice of external auditors;
- 9.5.28 If the Board does not accept the Committee's recommendation on the appointment, reappointment or removal of the external auditors, to include in the annual report, and in any papers recommending appointment or reappointment, a statement from the Committee explaining its recommendation and setting out the reasons why the Board has taken a different position;

Market issues

- 9.5.29 Evaluate the risks of the withdrawal of the Company's external auditor from the market to the quality and effectiveness of the financial reporting process and to consider the need to include the risk in the company's risk evaluation; and
- 9.5.30 Consider, where appropriate, whether there might be any benefit in using firms from more than one audit firm.

9.6 Other

- 9.6.1 To give due consideration to any applicable laws and regulation, including the provisions of the Code, the Minimum Standard and the requirements of the FCA's Listing, Prospectus, Disclosure and Transparency Rules and the provisions of the FRC's Guidance on Audit Committees.
- 9.6.2 To consider other topics related to its area of expertise, as defined by the Board.
- 9.6.3 To ensure that it is in a position to justify all of its actions and proposed courses of action.
- 9.6.4 In exercising its powers, and carrying out its duties, to take into account the duties of Directors under Chapter 2 of Part 10 of the Companies Act 2006 including, in particular, section 172, which requires a director to act in a way

the director considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

- 9.6.5 To promptly provide the Board with such information as may be necessary or desirable in the opinion of the Board to enable the Board to monitor its conduct in order that each member of the Board may fulfil their duties and responsibilities as a director.
- 9.7 At least once a year, to review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.
- 9.8 To report to the Board on how it has discharged its responsibilities. This report shall include:
 - 9.8.1 the significant issues that it considered in relation to the financial statements (required under paragraph 9.1.2) and how these were addressed;
 - 9.8.2 its assessment of the effectiveness of the external audit process (required under paragraph 9.6.1), 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; and
 - 9.8.3 any other issues on which the Board has requested the Committee's opinion.
- 9.9 To be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 9.10 To work and liaise with as necessary with all other Board committees, taking particular account of the impact of risk management and internal controls being delegated to different committees.
- 9.11 **Whistleblowing**
 - 9.11.1 The Committee shall review the adequacy and security of the Company's arrangements for its employees and contractors 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.
- 9.12 **Fraud**
 - 9.12.1 The Committee shall annually review the Company's procedures for detecting fraud, including those related to anti-bribery and corruption and gifts and hospitality.
- 9.13 **Tax Matters**
 - 9.13.1 The Committee shall oversee the Group's tax matters, including the review and challenge of key tax risks and the management of those risks as part of the review of the annual and half-yearly reports.

10. RELATIONSHIP WITH RISK AND SUSTAINABILITY COMMITTEE

10.1 Where there is any overlap between the responsibilities of the Committee and those of the Risk and Sustainability Committee of the Company, the respective chairs of the committees shall have the discretion to agree the most appropriate committee to fulfil any obligation.

11. REPORTING TO SHAREHOLDERS

11.1 The Chair shall attend the Board meeting at which the accounts are approved.

11.2 The Committee terms of reference shall be made available in accordance with the Code.

11.3 The Company shall maintain a dialogue with shareholders about the work of the Committee.

11.4 The annual report shall describe the work of the Committee, which shall include:

11.4.1 a summary of the role and work of the Committee;

11.4.2 how the Committee composition requirements have been addressed and the names and qualifications of all members of the Committee during the period;

11.4.3 the number of Committee meetings;

11.4.4 the significant issues that the Committee considered in relation to the financial statements and how these issues were resolved;

11.4.5 an explanation of how the Committee has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, information on the length of the current firm tenure, when a tender was last conducted, advance notice of any retendering plans (as required or appropriate), any contractual obligations that restrict the Committee's choice of external auditor and any other explanations or confirmations required by legislation in the report from the Committee in the annual report;

11.4.6 if the external auditor provides non-audit services, how auditor objectivity and independence is safeguarded, details of the fees paid to the external auditor for audit and non-audit services and the ratio of audit to non-audit work, and an explanation of the non-audit services provided and why the Committee concluded that it was in the interests of the Company to purchase them from the external auditor;

11.4.7 an explanation of how the Committee has conducted its annual effectiveness evaluation;

11.4.8 an explanation of how the Committee has assessed the effectiveness of the internal audit function and satisfied itself that the quality, experience and expertise of the function is appropriate for the business;

11.4.9 the nature and extent of any interaction (if any) with the FRC's Corporate Reporting Review team; and



11.4.10 any other issues on which the Board has requested the Committee's opinion.

11.5 In compiling the reports referred to in paragraphs 9.8 and 11.4, 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 into the Board's viability statement.

11.6 The Committee 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.

12. ANNUAL GENERAL MEETING

12.1 The Chair shall be available at the Annual General Meeting to answer questions on the Committee's activities and its responsibilities. In addition, the Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

Date of approval
February 2024

Date of next review
December 2024