

# Investec plc

# Audit Committee

## Terms of Reference | March 2025

### 1. Authority, mandate, objectives and reporting

#### 1.1. Introduction

The main objectives of the PLC Audit Committee (Committee) are to have oversight of, and give assurance to, the PLC Board on PLC's financial reporting and internal controls, and to safeguard the independence of and oversee the performance of the internal and external assurance providers.

This Terms of Reference documents the authority and mandate delegated to the Committee by the PLC Board, however does not preclude the Committee from carrying out such additional functions and adopt such additional measures as may be required to effectively discharge its responsibilities.

#### 1.2. Terminology and definitions

- PLC: Investec plc
- DLC: Investec plc and Investec Limited together as a dual listed company
- Group: Investec plc and its subsidiaries
- DLC BRCC: The DLC Board Risk and Capital Committee
- PLC Board: The Directors of PLC

#### 1.3. Legislation and regulation that forms part of the mandate of the Committee

As a Committee mandated by the PLC Board, the Committee is informed by legislation, regulation and stakeholder expectations in the United Kingdom (UK). In line with principles established by the Group, to the extent that there is a conflict, the Committee will apply the more onerous provisions, where practical.

- Companies Act of 2006 (UK Companies Act)
- Corporate Governance Code (UK Code)
- UK Listing rules
- Capital Requirements Directives
- Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) Handbooks

Other:

- Financial Reporting Council Guidance
- International Financial Reporting Standards (IFRS)
- Ethical Standard and other professional requirements

#### 1.4. Authority & mandate

The Committee is mandated by the PLC Board to perform the statutory duties of an audit committee, as per UK legislation and the regulations thereto, in respect of the annual financial statements, the combined assurance model and all other purposes assigned by the PLC Board for the Group and associated companies.

The Committee may sub-delegate any of its powers, authorities and responsibilities to a sub-committee comprising such other forums or committees or individuals and, on such terms, and conditions, and may revoke or vary such delegation, as it sees fit.

#### 1.5. Annual workplan

The Committee will evidence how it discharged its mandate and exercised its authority by amongst others, following an annual work plan. The annual work plan will also record *ad hoc* tasks, work and duties undertaken by the Committee which are not expressly recorded within these Terms of Reference.

#### 1.6. Objectives

The main objectives of the Committee are to have oversight of, give assurance and make recommendations to the PLC Board on the Group's financial reporting, including but not limited to the integrated annual report and financial statements, and internal controls, and to safeguard the independence of and oversee the performance of the internal and external assurance providers.

Financial reporting

- Monitor the integrity of the financial statements of PLC and its formal annual and interim reports which are subject to approval by the External Auditor/s, reviewing significant financial reporting issues and judgments which they contain.
- Review, consider, and challenge where it considers it necessary:
  - the appropriateness and consistency of, and any changes to PLC, ensuring compliance with financial reporting standards
  - significant issues raised in reports released by the internal auditors, the PRA, FCA and the External Auditor/s and Management responses thereto and report its findings to the PLC Board
  - methods used to account for significant or unusual transactions where different approaches are possible
  - whether the Group has complied with applicable accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditors
  - the clarity and adequacy of presentation and disclosure in the Group's financial reports and the context in which statements are made
  - significant adjustments resulting from the external audit findings / reports

- the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to PLC's ability to continue as a going concern)
- other material information presented including the annual report and interim report, such that the reports overall are not misleading.
- Where requested by the PLC Board, the Committee shall review the content of the annual report and advise the PLC Board on whether, taken as a whole, it is fair, balanced, and understandable and provides the information necessary.
- Give due consideration to the requirements of the UK Listings Rules and ensure compliance therewith.
- Satisfy itself that a combined assurance model is applied which incorporates the various risk and levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks.
- Consider audit quality in relation to PLC.
- Consider transparency reports and reviews of each external audit firm covering their client base, client acceptance and continuance processes, and the approach to clients, if any, that did not meet the client continuance criteria.
- Consider related party disclosures in relation to PLC.

#### Internal Controls

- Review at least annually, the effectiveness of the internal controls.
- Review the expertise, resources, experience, and effectiveness of the Finance Function.
- Consider the appropriateness of the expertise and experience of the Financial Director / Chief Financial Officer.

#### Whistleblowing

- The Committee shall review the arrangements and whistleblowing mechanisms, as applicable, to ensure protected disclosures that encourage employees to raise concerns about financial reporting, workplace malpractice, or other matters in confidence.
- The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up.

#### Internal Audit

- Perform an annual assessment of the internal audit function's responsibility, budget, and staffing
- Consider and approve the remit of the internal audit function and ensure it has adequate resources with satisfactory quality, experience, and expertise as well as the appropriate access to information to enable it to perform its function effectively and comply with recognised industry codes of ethics.
- Monitor and review the role and effectiveness of the Group's internal audit function, including the Head of Internal Audit (HIA), and ensure the independent review of the internal audit function at least once every five years.
- Annually review and approve the Internal Audit plan to ensure it is aligned to business' key risks and receive regular reports on the work carried out and approval of any change or delay in the plan and ensure co-ordination and open communication between the internal and external auditor/s.
- The Committee shall have access to all reports of internal audit relating to the Group and receive regular reports of all significant issues arising from the work of the internal audit function.
- Review and monitor Management's responsiveness to the findings and recommendations of internal audit.
- Ensure that the internal audit function evaluates the effectiveness of risk, compliance, and internal financial controls as part of its internal audit plan.
- HIA to report to the Committee Chair at least once a year, without Management being present, on the performance of duties, internal audit's remit and any issues relating to internal audit.
- Approve and annually review the Internal Audit Charter, making recommendations for changes if required.

#### External Audit

- Recommend to the PLC Board the appointment or removal of the External Auditor/s. If any External Auditor resigns, investigate the issues leading to this and decide whether any action is required.
- Oversee the relationship with the External Auditor/s, including (but not limited to) agreeing their terms of engagement, the scope of the audit and, in consultation with the executive directors, agree and approve their remuneration (including fees for both the audit and non-audit services) to ensure that the level of fees is appropriate to enable an effective and high-quality audit to be undertaken.
- Review and monitor the independence and audit quality, including but not limited to the qualifications, expertise, resources and internal quality procedures of the External Auditor/s, at firm and partner level, taking into account the relevant professional and regulatory requirements and the relationship with the Auditor/s as a whole (other than in the ordinary course of business), including the provision of any non-audit services, which could adversely affect the Auditor/s' independence and objectivity.
- Meet separately with Management and the External Auditor/s to discuss any concerns noted during the audit.
- Annually review and approve the external audit plan, understand any reasons for changes to the audit plan, and ensure that it is consistent with the scope of the audit engagement.
- Review the audit findings with the External Auditor/s to discuss any material issues, accounting and audit judgements and levels of errors identified during the audit.
- Consider the External Auditor/s' robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions.
- Review and monitor the content of the External Auditor/s' management letter and management's response to the auditors finding and recommendations and reporting to the PLC Board on the effectiveness of the audit process.
- Review any representation letter(s) requested by the external auditors which Management is required to sign.
- Oversee compliance of any regulatory requirements and/or ethical and professional guidance for audit firm and/or audit partner rotation, as specified in the different jurisdictions in which the Group operates.
- Non-audit services: Develop and/or regularly review, prior to recommending to the PLC Board for approval, and implementing, a formal policy on the External Auditor/s' provision of non-audit services, including the approval of non-audit services, the types of non-audit service to be pre-approved, the fees for non-audit services (both for individual services and in aggregate relative to the audit fee) and assessment of whether non-audit services have a direct or material effect on the audited financial statements and/or the External Auditor/s' independence.

#### Combined Assurance Model

- Ensure the model incorporates and optimise the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.
- The model should be effective and sufficiently robust for the PLC Board to be able to place reliance on combined assurance to support the statements it makes concerning the integrity of PLC's external reports.

## 1.7. Reporting

The Committee's reporting line is to the PLC Board.

The Committee Chair shall report formally to the PLC Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report on how it has discharged its responsibilities.

In the event of a disagreement between the Committee and the PLC Board, adequate time should be made available for discussion of the matter with a view to resolving the disagreement.

The Committee and its Chair shall produce a report to be included in the Group's integrated annual report about its activities, including the membership of the Committee, number of meetings and attendance, as well as to summarise the Committee's work and activities over the course of the year, including but not limited to those matters that have informed the PLC Board's assessment of whether the PLC is a going concern.

The Chair shall attend the annual general meeting (AGM) to address any shareholder questions on the Committee's activities and areas of responsibility.

The Group's Internal Assurance Providers (Risk, Finance, Internal Audit and Compliance) and External Auditor/s shall have the right of direct access to the Chair of the Committee.

## 1.8. Interaction with other committees

**Subsidiary audit committees:** As an agreed principle, where practicable, the Chair of the Committee shall be a member of the audit committees established by PLC subsidiaries. Subsidiary audit committees have defined and documented responsibilities with regard to their respective entities. In order to effectively aggregate the work done by those committees, members may attend the meetings of those committees and a report will be provided by their chairs.

**DLC BRCC:** The Committee will provide assurance to the DLC BRCC as to the risks impacting finance and reporting controls as well as internal controls and risk management systems of the Group. The Committee will rely on outputs from the DLC BRCC that enterprise-wide risks and compliance concerns have been correctly identified and that the appropriate controls are in place.

## 1.9. Matters reserved for the Committee

In certain instances where subsidiaries of the Group have established subsidiary committees, certain matters will remain reserved for the Committee, ie:

- the approval of Terms of Reference of the audit committees of key operating subsidiaries
- the appointment of and remuneration of the External Auditors for the Group and key operating subsidiaries
- approval of the PLC policy on the provision of non-audit services by the External Auditors
- the appointment of the Head of Internal Audit for the Group. The PLC Board has primary responsibility for the removal of the Head of Internal Audit upon the recommendation thereof by the Committee.

## 2. Composition and quorum

### 2.1. Composition

Members of the Committee, including the designated Chair, are appointed and/or removed by the PLC Board on the recommendation of the DLC Nomdac in consultation with the Committee Chair.

The Committee shall comprise of at least three members. All of the members of the Committee must be independent non-executive directors. Members of the Committee shall have the appropriate knowledge, skills and expertise to meet their obligations.

Should a member of the Committee resign from the Committee, or otherwise vacate office and a vacancy occurs, the Board shall fill the vacancy on the Committee within 42 business days of the vacancy arises.

Only members of the Committee have the right to attend Committee meetings. The Chair of the Committee may at their discretion invite non-members to meetings as deemed necessary, but they shall not have a vote.

Members of the Committee are as set out in Appendix 5.1.

## 2.2. Quorum

The quorum necessary for the transaction of business shall be two members of the Committee.

If a member is in any way, either directly or indirectly, interested in a matter before the Committee they must declare the nature and extent of that interest to the other members either at the beginning of the applicable meeting or in advance by email to members. A member who has a conflict in a matter before the Committee will be counted for quorum purposes, however may not be counted as participating in the decision-making process for voting purposes.

## 3. Committee operations

### 3.1. Frequency, notice and agenda

The Committee will meet at least four times per year, after the meetings of the Audit Committees of Investec's key operating subsidiaries, and as often as is necessary to discharge its duties and objectives, on such dates and times as agreed with the Chair.

At least 3 days' notice of a meeting must be given to members, but need not be in writing.

The notice of meetings should include the date and time of the meeting, details of the venue (whether in person or virtual), and, if relevant, an outline of the business to be discussed. Proposed agenda items should be discussed and agreed with the Chair prior to calling the meeting.

### 3.2. Chair, decision making and virtual meetings

The Chair of the Committee shall be appointed by the PLC Board on the recommendation of the DLC Nomdac. The Chair shall be an independent non-executive of the Board. In the Chair's temporary absence, one of the independent non-executive Committee members nominated by the Chair or elected by the other members of the Committee will act as Chair.

**Meetings** may be convened, and decisions taken either in person or by electronic means (including for the avoidance of doubt, conference call, email, or any other electronic means of audio-visual communication that facilitates the members of the Committee making an informed, collective decision).

If **meetings** are held in person, at the Chair's discretion any subsequent amendments, approvals, recommendations, or satisfaction of any conditions precedent and antecedent may be addressed by the Committee electronically.

Decisions **taken** electronically have no effect unless the approving members would have formed a quorum at a meeting held in person, but otherwise all decisions taken electronically have the same force as if they had been made at a meeting held in person.

### 3.3. Record keeping

A member of the Company Secretarial function will act as Secretary of the Committee and will keep a record of the meeting papers and minutes of proceedings. Copies of the minutes of meetings will be circulated to members for comment no later than 14 days after the relevant meeting and thereafter provided to the Chair for comment and/or approval.

## 4. Review and approval of Terms of Reference

The Committee will review its own performance and composition at least once a year by way of the annual board effectiveness review.

The Committee will review the Terms of Reference at least once a year.

Any changes to the appendices to the Terms of Reference, with the exception of the Committee membership, may be amended by agreement between the Chair and Company Secretary.

Appendices reflecting membership changes may be updated by the Company Secretary after approval from the Board.

Any changes to the main body of the Terms of Reference must be tabled at the next meeting of the Committee for approval.

## 5.1 Appendices | Membership

The members of the Committee are:

Name	Designation
Diane Radley (Chair)	Independent non-executive director of Investec Limited
Vanessa Olver	Independent non-executive director of Investec Limited
Brian Stevenson	Independent non-executive director of Investec Limited



## 5.2 Appendices | Lists of key operating and regulated subsidiaries that the committee is responsible for

Investec Bank plc

## 5.3 Appendices | Workplan