



Audit Committee Terms of Reference

Arbuthnot Banking Group PLC

Approved by ABG Board

27 November 2024

Audit Committee Terms of Reference

Chair	Lord Sassoon, Independent Non-Executive Director
Secretary	Nick Jennings, Company Secretary
Members	All the Independent Non-Executive Directors
Invitees	As decided by the Chair of the Committee but to include the Head of Internal Audit, Arbuthnot Latham & Co., Limited (“AL”) and, from time to time, the external auditors.
Attendees	Chairman & Chief Executive Other Executive Directors Non-Independent Non-Executive Director
Quorum	Two members; in the event of a disagreement, no member shall have a casting vote and the item in question will be deferred to the next meeting at which there are three members present.
Meetings	<p>The Committee will normally meet at least four times each year with the external auditors present on at least three occasions. The Company’s internal and external auditors shall have a right of direct access to the Chairman of the Committee at all times.</p> <p>At least once a year the Chairman of the Committee will invite the external auditors and the internal auditors to meet the Committee without any member of the Executive being present.</p>
Delegated Authority	<p>The Board of Arbuthnot Banking Group PLC (“the Company”) authorises the Committee, within the scope of its responsibilities, to:</p> <ul style="list-style-type: none"> • Obtain any information it requires from any employee or external party; • Obtain outside legal or other professional advice, subject to reasonable costs; • Require the attendance of company officers at meetings as appropriate. • Conduct or oversee any investigation into matters within its scope of responsibility; • Appoint, approve compensation for and oversee the external auditors; Resolve any disagreements between external / internal auditors and management; • Invite tenders for the provision of audit services and decide the frequency of any such invitation to tender;

	<ul style="list-style-type: none"> • Approve any provision of audit services to the Company and in addition any significant provision of non-statutory audit services to the Company by the external auditor. <p>In the event of any doubt about whether the provision of non-audit services to the Company by the external auditor is significant the matter should be referred to the Committee.</p> <p>The Committee will keep the Company’s Chairman and CEO fully informed of significant issues.</p>
<p>Responsibilities</p>	<p>The purpose of the Committee is to oversee, on behalf of the Board, the financial reporting process and external audit thereof, the appropriateness and effectiveness of systems and controls and the work of Internal Audit, AL, in reviewing applicable risk management, governance and systems of internal control.</p> <p>The Committee’s responsibilities are to:</p> <ul style="list-style-type: none"> • Review arrangements established by management for compliance with financial reporting requirements; • Monitor the integrity of the statutory accounts and other financial statements and formal announcements relating to the Company’s financial performance, and reviewing significant financial reporting judgements contained in them, focusing particularly on: <ul style="list-style-type: none"> - critical accounting policies and practices and any changes to them; - matters of judgment or requiring subjective review or consideration; - significant adjustments resulting from the external audit; - the going concern assumption and the long-term viability of the Company; - compliance with accounting standards, Financial Conduct Authority, AIM and AQSE requirements and company law; - the clarity of disclosures; and - whether the annual report and accounts taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company’s position and performance, business model and strategy. • Oversee the work of external auditors, specifically to follow the Audit Committees and the External Audit: Minimum Standard, published by the Financial Reporting Council. • Monitor and review the effectiveness of Internal Audit, AL, where applicable to the Company.

- Keep under consideration the need for internal audit work to be carried out specifically in relation to the Company, and on such occasions make the necessary arrangements.
- Commission, as appropriate, audit assignments to be conducted on its behalf.
- Review reports from the Financial Regulatory Reporting Committee.
- Review whistleblowing arrangements for employees to raise concerns in confidence.
- Review its own terms of reference and its effectiveness on an annual basis, and to recommend any changes to the Board.
- Report to the Board on how it has discharged its responsibilities.

Where such monitoring and review activities reveal cause for concern, or scope for improvement, the Committee should make recommendation to the Board on action needed to address the issue or to make improvements.

The Audit Committee must have due regard to proportionality and cost effectiveness of all actions and measures proposed at all times.