

Wakam UK Limited
(the “Company”)

Audit Committee - Terms of Reference

1. Purpose

- 1.1 The Board of Directors of the Company (the “Board”) has established an Audit Committee (the “Committee”) whose duties and responsibilities are discharged with respect to the Company.
- 1.2 The role of the Committee is, among other matters, to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:
- a) The integrity of the Company’s financial statements, related announcements and other financial information provided to shareholders;
 - b) The assurance processes to verify the financial and non-financial information included in the Company’s Annual Report and Accounts;
 - c) The effectiveness of the Company’s internal controls and risk management systems;
 - d) The effectiveness and objectivity of the internal and external audit processes and auditors;
 - e) The effectiveness of the Group’s whistleblowing procedures; and,
 - f) The effectiveness of processes for compliance with laws, regulations and ethical codes of practice.
- 1.3 The more specific responsibilities of the Committee are set out in section 4.

2. Constitution of the Committee

- 2.1 Membership – There shall be at least three Independent Non-Executive Directors (“Directors”) who comprise the majority of members of the Committee; one of whom shall be the Chair of the Risk Committee. The Committee as a whole should have competence and relevant experience in insurance and governance and at least one member of the Committee should meet the requirements of having competence in accounting and/or auditing and be determined by the Board to have significant recent and relevant financial experience. The Chair of the Board may be a member, but not the Chair of the Committee.
- 2.2 Appointment of Members – The Board shall appoint members of the Committee, following recommendation by the Nomination & Remuneration Committee, in consultation with the Chair of the Committee (the “Committee Chair”).
- 2.3 Appointment Term – Appointments shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the members still meeting the criteria for membership of the Committee.
- 2.4 Quorum – The quorum for meetings shall be two members, the majority of whom must be Non-Executive Directors, and one of whom shall be the Chair, or their appointed deputy who will then Chair the meeting. A duly convened meeting of the Committee at

which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in it by the Board.

- 2.5 Voting – Each Committee member in attendance at a meeting (whether in person or by telephone or video conference) shall have one vote which may be cast on matters considered at the meeting except where they are deemed, either directly or indirectly, to have a personal interest. The Committee Chair shall have a casting vote except where he or she has a personal interest.
- 2.6 Secretary – The Company Secretary of the Company (the “Secretary”), or their nominee, shall act as secretary to the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues and matters laid before it.
- 2.7 Frequency of Meetings – The Committee shall meet at least four times per year and at any other time as the Committee’s role and responsibilities require.
- 2.8 Attendance at Meetings – Only Committee members have the right to attend Committee meetings. The Chief Auditor and the External Auditor shall attend and address the Committee on a regular basis and shall meet the Committee without management present at least once a year. Other non-members, such as the Chief Executive Officer and Chief Financial Officer, may be invited to attend all or part of any meetings as and when the Committee Chair considers it appropriate.
- 2.9 Remote Attendance - Meetings may be conducted by telephone or video conference and decisions made by such means shall be appropriately recorded and shall have the same effect as those conducted in person.
- 2.10 Notice of Meetings – Meetings of the Committee shall be convened by the Secretary at the request of the Committee Chair or any other Committee member. Unless otherwise agreed, and except where a situation of urgency otherwise requires, wherever practicable, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member no later than five business days before the date of the meeting. Supporting papers shall be sent to Committee members, and to other attendees as appropriate, at the same time or at shorter notice with the Committee Chair’s approval.
- 2.11 Minutes of Meetings – The Secretary or their nominee shall minute the proceedings and decisions of all Committee meetings. Draft minutes shall be agreed with the Committee Chair and circulated promptly to all Committee members. Once approved, minutes shall be circulated to all other Board members unless, in the Committee Chair’s opinion, it is inappropriate to do so.
- 2.12 Outside of the formal meeting programme, the Committee Chair and, to a lesser extent, the other Committee members shall maintain a dialogue with the key individuals involved in the Company’s governance, including the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Auditor and the Group’s external Audit Partner (the “External Auditor”).

3. Annual General Meeting

- 3.1 The Committee Chair shall attend the Annual General Meeting (the “AGM”) of the Company to answer any shareholder questions on matters within the Committee’s area of responsibility.

4. Responsibility

Within the framework of the Company’s financial controls and financial management policies the Committee shall carry out the following duties:

Financial Reporting

- 4.1 Monitor the integrity of the Company’s financial reporting, including the Company’s annual report and any other formal announcement or reporting relating to its financial performance.
- 4.2 Review and report to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain, having regard to matters communicated to it by the External Auditor.
- 4.3 Review, and challenge where necessary:
- a) The application and appropriateness of significant accounting policies and any changes to them on a year on year basis;
 - b) Whether the Company has made appropriate estimates and judgements, taking into account the External Auditor’s views;
 - c) The clarity and completeness of financial reporting disclosures and changes to those disclosures, including the review of any correspondence between the Company and the External Auditor;
 - d) The methods used to account for significant or unusual transactions (including any off balance sheet arrangements) where different approaches are possible;
 - e) Significant adjustments resulting from the external audit;
 - f) The assumptions or qualifications in support of the going concern statement (including any material uncertainties as to the Company’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 Company looking forward over an appropriate and justified period);
 - g) The reporting in the Annual Report and Accounts and any other material public documents in respect of climate change and Environment, Social and Governance (‘ESG’) matters for compliance with relevant regulations and legislation and standards; and,
 - h) Any other statements requiring Board approval and which contain financial information, where to carry out a review prior to Board approval would be both practicable and consistent with any prompt reporting requirements under any law or regulation.

- 4.4 Monitor compliance with financial reporting standards and any other financial and governance reporting requirements.
- 4.5 Review all material information presented with the financial statements.

Narrative Reporting

- 4.6 Review the content of the Company's Annual Report and Accounts, including associated narrative statements, and advise the Board on whether: a) taken as a whole, they are fair, balanced and understandable and provide the information necessary for stakeholders to assess the Company's performance, business model and strategy; and, b) they inform the Board's statement on these matters as required under the Code.
- 4.7 Approve the Audit Committee Report for inclusion in the Company's Annual Report and Accounts.

Group Internal Controls and Risk Management

- 4.8 Review the adequacy and effectiveness of the Company's risk management framework and internal control systems in conjunction with the Risk Committee prior to review by the Board.
- 4.9 Provide assurance to the Board that senior management's control assurance processes are implemented and are complete and effective.

Regulatory Reporting

- 4.10 Review (and where agreed between the Board Chair and Committee Chair approve on behalf of the Board) material disclosures to the Group's main regulators, including solvency reports in respect of the Company for publication and submission to the regulator.

Risk & Compliance

- 4.11 Review and approve the annual Compliance Plan (including compliance monitoring plan) and monitor progress and key control findings from Compliance reviews.
- 4.12 Receive regular reporting from the Chief Risk and Compliance Officer covering updates on new and progress on existing assurance issues.

Whistleblowing

- 4.13 Review the robustness and adequacy (including the independence, autonomy and effectiveness) of the Company's whistleblowing policies and procedures, ensuring that such arrangements allow fair treatment in handling concerns raised, proportionate and independent investigation of such matters and appropriate follow up action.
- 4.14 Receive a report, where appropriate, of any significant items to note arising from whistleblowing cases, and a summary by cause of whistleblowing allegations made and their status.

Internal Audit

- 4.15 Consider and approve input into the performance evaluation of the parent company's Chief Auditor; concluding on the function's compliance with the UK Financial Services Code.
- 4.16 To allow the Committee to form an opinion on the effectiveness, performance and independence of the internal audit function:
- a) Approve the internal audit plan, particularly with regard to the Company's strategy, and risk and control profile; ensuring that it is free from constraint by management;
 - b) Consider the adequacy of resources available to the internal audit function for coverage of the Company (both financial budget and skills available) in the context of the risk and control profile of the Company;
 - c) Review the major findings presented by internal audit and consider the appropriateness of management's response to them;
 - d) Review the quarterly report on resolution of internal audit issues, requesting further management explanation where necessary for high priority issues that are overdue; and,
 - e) Review the performance of the Company's internal audit function and ensure that a periodic independent assessment of the effectiveness of the internal audit function is commissioned by the parent.
- 4.17 Annually approve the Internal Audit Charter to ensure it is appropriate for the Company's needs.
- 4.18 Review and monitor management's responsiveness to the Chief Auditor's findings and recommendations.
- 4.19 Ensure the Chief Auditor has direct access to the Chair of the Board and to the Chair of the Audit Committee and is accountable to the Committee.
- 4.20 Ensure that the Internal Audit Function maintains its independence and objectivity in the discharge of its duties.
- 4.21 Ensure that the Committee meets with the Chief Auditor to discuss the effectiveness of the Internal Audit Function, its remit and any issues resulting from audits, without management present, at least once a year.

External Audit

- 4.22 Consider the appointment, re-appointment, and/or removal of the External Auditor, and make recommendations to the Board thereon.
- 4.23 Ensure that at least once every ten years the audit services contract is put out to tender and, in respect of such tender, oversee the selection process ensuring that all tender firms have access to necessary information throughout the process, and that rules on audit tender and auditor rotation are observed.

- 4.24 Own the relationship with the External Auditor, including but not limited to:
- a) Approving the terms of their engagement, including any engagement letter issued at the start of each audit and the scope of the audit and agreeing and approving (in consultation with executive Directors) the External Auditor's remuneration (including fees for both 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;
 - b) Annually assessing the performance, independence, objectivity and effectiveness of the External Auditor taking into account relevant UK and, where applicable, EU professional and regulatory requirements and the relationship with the External Auditor as a whole;
 - c) Satisfying itself that there are no relationships 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;
 - d) Agreeing with the Board a policy on the employment of former employees of the External Auditor, taking account of the relevant ethical standards and legal requirements, monitoring the implementation of this policy, including the Committee's own safeguards relating to independence, and considering whether there has been an impairment or appearance of impairment of the External Auditor's independence and objectivity;
 - e) Monitoring the External Auditor's compliance with relevant ethical and professional guidance on the rotation of the Audit Partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and Audit Partner, the suitability of the provision of non-audit services, and other related requirements;
 - f) Assessing annually the qualifications, expertise, resources, independence and objectivity of the External Auditor and the effectiveness of the audit process, which shall include a report from the External Auditor on their own internal quality procedure;
 - g) Seeking to ensure coordination with the activities of the Internal Audit Function; and,
 - h) Evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of the External Auditor from the market in that evaluation.
- 4.25 Meet regularly with the External Auditor and at least once a year, without management being present, to review and discuss the External Auditor's remit and any issues arising from the audit.
- 4.26 Review and approve the annual External Audit plan at the start of the audit cycle and ensure it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.

- 4.27 Review the findings of the audit with the External Auditor, including but not limited to the following:
- a) A discussion of any major issues which arose during the audit;
 - b) Key accounting and audit judgements;
 - c) Levels of errors identified during the audit; and,
 - d) The effectiveness of the audit process.
- 4.28 Review any representation letter(s) requested by the External Auditor before they are signed by management.
- 4.29 Review, before its consideration by the Board, the External Auditor's report to the Directors and their management letter, including management's response to the External Auditor's findings and recommendations.
- 4.30 Develop and implement a policy on the supply of non-audit services by the External Auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant regulations and ethical guidance on the matter including the Committee's prior approval of non-audit services and the types of non-audit service to be pre-approved, and assess whether non-audit services have a direct or material effect on the audited financial statements.

To support any aspect of reporting, or to support its review of the adequacy and effectiveness of internal controls, risk management internal and external audit processes, the Committee may request internal or external assurance on any matter.

5. Reporting Responsibilities

- 5.1 The Committee Chair shall report formally to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities and, subject to clause 2.11, shall make its minutes available to the Board.
- 5.2 The Committee Chair shall formally escalate to the Board Chairman in a timely manner any matters they see as requiring rapid escalation.
- 5.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.4 The Committee shall compile a report on its activities to be included in the Company's Annual Report and Accounts which should describe the work of the Committee.
- 5.5 The Committee shall undertake a formal annual review of its own performance and review its Terms of Reference at least annually, to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board. Any changes to the Committee's Terms of Reference must be approved by the Board.
- 5.6 The Committee Chair shall attend the Annual General Meeting (the "AGM") of the Company to answer any shareholder questions on matters within the Committee's area of responsibility.
- 5.7 The Committee shall make its Terms of Reference available to the public and the Company's shareholders via the Company's website.

6. Authority

- 6.1 The Committee shall be authorised to seek any information it requires from any Company (and/or parent company) employee in order to perform its duties and call any employee to be questioned at a Committee meeting as and when required.
- 6.2 The Committee shall be authorised to obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so, and invite persons giving such advice to attend Committee meetings.
- 6.3 The Committee shall be authorised to 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.
- 6.4 The Committee has the delegated authority of the Board in respect of the functions and powers in these Terms of Reference. The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 6.5 Where appropriate to ensure the ongoing operating efficiency of the Committee, the Committee may delegate responsibility to the Committee Chair to execute decisions on its behalf. In these instances, the Committee Chair shall, where appropriate, solicit the views of fellow Committee members.
- 6.6 The Committee shall liaise regularly with the Board's Risk Committee and where there is perceived overlap of responsibilities between the Committee and the Risk Committee, the respective Committee Chairs shall have discretion to agree the most appropriate committee to fulfil any obligation. An obligation under the Terms of Reference of the Committee or the Risk Committee shall be deemed to have been fulfilled providing it is dealt with by either the Committee or the Risk Committee. Where the Committee requests any reviews to be carried out which have an impact on the Risk Committee, the Committee Chair shall liaise with the Risk Committee Chair to determine the most appropriate way to update the Risk Committee.

7. Other

- 7.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 7.2 Each member of the Committee will receive an induction upon appointment to the Committee. The level of induction needed will be considered by the Committee Chair. The Committee will receive training on an ongoing basis.
- 7.3 The Committee shall give due consideration to laws and regulations, the provisions of the Companies Act 2006, the Code, guidance as issued by the PRA, the FCA (and/or any and all regulators of the Company or the Group or any one of its constituent entities).
- 7.4 The Committee shall undertake a formal annual review of its own performance and review its Terms of Reference at least annually, to ensure that it is operating effectively.

Approved by the Board on 30th April 2024