

**FOXTONS GROUP PLC**  
**(the "Company" or the "Group")**

**AUDIT, RISK AND GOVERNANCE COMMITTEE**  
**TERMS OF REFERENCE**

**1. MEMBERSHIP**

- 1.1. The Audit, Risk and Governance Committee (the "committee") shall comprise at least three members. Members of the committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chair of the committee.
- 1.2. All members of the committee shall be independent non-executive directors, at least one of whom shall have recent and relevant financial experience and the committee as a whole shall have competence relevant to the sector in which the Group operates. The chair of the Board shall not be a member of the committee.
- 1.3. Only members of the committee have the right to attend committee meetings. However, other individuals such as the chair of the Board, chief executive officer, other directors, the heads of risk, compliance and internal audit (if any) and representatives from the Group's finance function may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4. The external auditor and the chief financial officer will be invited to attend meetings of the committee on a regular basis.
- 1.5. Appointments to the committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.
- 1.6. The Board shall appoint the committee chair. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the relevant meeting.

**2. SECRETARY**

The company secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to its business.

**3. QUORUM AND VOTING ARRANGEMENTS**

- 3.1. The quorum necessary for the transaction of business shall be two members. 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.
- 3.2. The members of the committee may meet for the despatch of business, adjourn and otherwise regulate meetings as they think fit.
- 3.3. Any matters to be determined by the committee shall be decided by a majority of the votes cast at a meeting of the committee called for such purpose. Each member of the committee shall have one vote which may be cast on matters considered at the meeting.

#### **4. MEETINGS BY TELEPHONE AND OTHER ELECTRONIC MEANS**

- 4.1. All or any of the members of the committee may participate in a meeting of the committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A member of the committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.
- 4.2. Any action or decision of the committee may also be taken by an instrument or instruments in writing (including via email or other electronic means) signed (including via the use of electronic signatures) by all members of the committee (including in counterparts) and any such action shall be as effective as if it had been decided by a quorum of votes cast at a meeting of the committee called for such purpose.

#### **5. FREQUENCY OF MEETINGS**

- 5.1. The committee shall meet at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
- 5.2. Outside of the formal meeting programme, the committee chair will maintain a dialogue with key individuals involved in the Company's governance, including the chair of the Board, the chief executive officer, the chief financial officer, the external audit lead partner and the head of any internal audit function (if any).

#### **6. NOTICE OF MEETINGS**

- 6.1. Meetings of the committee shall be convened by the secretary of the committee at the request of any of its members or at the request of the external audit lead partner or the head of any internal audit function if they consider it necessary.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than five working 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.
- 6.3. The notice period set out in 6.2 may be reduced at the sole discretion of the committee chair to whatever he/she considers appropriate.
- 6.4. Notice, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such way.

#### **7. MINUTES OF MEETINGS**

- 7.1. The secretary shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.
- 7.2. Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the committee chair.

## **8. ANNUAL GENERAL MEETING AND STAKEHOLDER ENGAGEMENT**

The committee chair should attend the annual general meeting (the “AGM”) of the Company to answer shareholder questions on the committee's activities. In addition, the committee chair should seek engagement with shareholders and other stakeholders where relevant, on significant matters related to the committee's areas of responsibility.

## **9. DUTIES**

The committee should carry out the duties below for the Company, its subsidiary undertakings and the Group as a whole, as appropriate:

### **9.1. Financial reporting**

9.1.1. The committee shall monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain, having regard to matters communicated to it by the external auditor.

9.1.2. In particular, the committee shall review and challenge where necessary:

- (a) the consistency of, and any changes to, significant accounting policies both on a year-on-year basis and across the Group;
- (b) the methods used to account for significant or unusual transactions where different approaches are possible;
- (c) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (d) 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;
- (e) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
- (f) all material information presented with the financial statements, such as the business review, the corporate governance statements relating to the audit and to risk management, and the section of the annual report which describes the role and responsibilities of the committee and the actions taken by the committee to discharge those responsibilities; and

(g) monitor compliance with financial reporting standards and any recognised investment exchange and other financial and governance reporting requirements.

9.1.3. The committee shall review any other statements requiring board approval which contain financial information first, where to carry out a review prior to board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the Listing Rules or Disclosure Guidance and Transparency Rules sourcebook.

9.1.4. Where the committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

## 9.2. Narrative reporting

The committee should 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 position and performance, business model and strategy, and whether it informs the Board's statement in the annual report on these matters that are required under the UK Corporate Governance Code (the "Code").

## 9.3. Internal controls and risk management systems

The committee shall:

9.3.1. review and monitor the effectiveness of the Group's risk management and internal control framework, covering all material controls, including financial, operational, and compliance controls;

9.3.2. review the Group's processes and procedures for ensuring that material risks are properly identified, assessed, managed and reported and that appropriate systems of monitoring and control are in place;

9.3.3. ensure that a robust assessment of the emerging and principal risks facing the Group has been undertaken (including those risks that would threaten the Group's business model, future performance, solvency or liquidity and reputation and provide advice on the management and mitigation of those risks;

9.3.4. review and recommend to the Board for approval the statements to be included in the Company's annual report concerning internal controls and risk management;

9.3.5. review the assurance reports from management on the effectiveness of the risk management and internal control framework and from the internal audit, the external auditor and others on the operational effectiveness of matters related to risk and control. The committee should satisfy itself that these sources of assurance and information are sufficient and objective and are enough to enable the Board to satisfy itself that they are operating effectively; and

9.3.6. review the timeliness of, and reports on, the effectiveness of corrective action taken by management in response to any material external or internal audit recommendation.

9.4. Compliance, whistleblowing and fraud

The committee shall:

9.4.1. receive regular reports on significant litigation and compliance issues involving the Group;

9.4.2. review the adequacy and security of the Group'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;

9.4.3. annually review the Group's procedures for detecting fraud;

9.4.4. review the Group's systems and controls for the prevention of bribery and receive reports on non-compliance;

9.4.5. review reports from the Money Laundering Reporting Officer and the adequacy and effectiveness of the Group's anti-money laundering systems and controls; and

9.4.6. review reports from the Compliance Officer and keep under review the adequacy and effectiveness of the Group's compliance function.

9.5. Internal audit

9.5.1. The committee shall review annually whether and in what form the Company will have an internal audit function and make an appropriate recommendation to the Board.

9.5.2. Where an internal audit function exists, the committee shall:

(a) approve the appointment and removal of the internal audit or any external consultants used to fulfil the function;

(b) consider and approve the remit of the internal auditor 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 internal auditor has adequate standing and is free from management or other restrictions;

(c) review and assess the annual internal audit plan;

(d) review reports addressed to the committee from the internal auditor;

(e) review and monitor management's responsiveness to the internal auditor's findings and recommendations;

(f) meet with the internal auditor at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out; and

- (g) ensure the internal auditor has direct access to the chairman of the Board and to the committee chair, and is accountable to the committee.

## 9.6. External audit

The committee shall, taking into account any applicable law and legislation, other professional requirements, the Code, the Financial Reporting Council (the "FRC") guidance, the FRC Audit Committees and the External Audit: Minimum Standard (the "Minimum Standard") and the FRC's Revised Ethical Standard (the "Ethical Standard"):

- 9.6.1. consider and make recommendations to the Board, to be put to shareholders for approval at the Company's AGM, in relation to the appointment, reappointment and removal of the Company's external auditor and in the event of a resignation of the external auditor investigate the issues surrounding this and whether any further action is required;
- 9.6.2. ensure that at least once every ten years the audit services contract is put out to a competitive tender process (with at least two auditors invited to bid) in order to enable the committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms. In respect of such tender, conduct the selection process in accordance with applicable regulatory requirements, ensuring that the tendering firms have such access as is necessary to information and individuals for the duration of the process and, following completion of the process, make appropriate recommendations to the Board. The tender process shall be carried out in accordance with the Minimum Standard;
- 9.6.3. oversee the relationship with the external auditor including (but not limited to):
  - (a) the approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - (b) influencing the appointment of the audit engagement partner;
  - (c) ensuring rotation of the audit engagement partner after five years, with the flexibility of an additional two years if it is considered necessary to maintain audit quality and the extension is disclosed to shareholders;
  - (d) negotiating and agreeing their remuneration and considering at least annually fees for both audit and non-audit services, and ensuring that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
  - (e) monitoring and assessing at least annually their independence and objectivity taking into account relevant law, the Minimum Standard, the Ethical Standard and other professional and regulatory requirements and the relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards to mitigate those threats, including the provision of any non-audit services;

- (f) seek reassurance from the external auditor and satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company, other than in the ordinary course of business, which could adversely affect the auditor's independence and objectivity;
  - (g) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements and assess these in the context of relevant legal, professional and regulatory requirements, guidance and Ethical Standard;
  - (h) the qualifications, expertise and resources of the external auditor, the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures; and
  - (i) approving a policy on the employment of former employees of the Company's external auditor, taking into account the Ethical Standard and legal requirements and monitoring compliance. The approval of the chair of the committee shall be required for any appointment in a senior position of a former employee of the Company's external auditor.
- 9.6.4. meet regularly with the external auditor and at least once a year, without executive directors or management being present, to discuss the auditor's remit and any issues arising from the interim review and year end audits, including but not limited to, any resolved or unresolved issues that arose during the audit, the auditor's explanation of how risks to audit quality were addressed, key accounting and audit judgements, the auditor's view of their interactions with senior management and levels of errors identified during the audit;
- 9.6.5. review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;
- 9.6.6. review the findings of the audit with the external auditor and any matters which the external auditor or the Board may wish to discuss including, but not limited to, discussion of any major issues which arose during the audit; key accounting and audit judgements; levels of errors identified during the audit; and the effectiveness of the audit;
- 9.6.7. document how effective oversight of the external auditor has been achieved throughout the year;
- 9.6.8. review the management letter and management's response to the auditor's findings and recommendations;
- 9.6.9. review any representation letter(s) requested by the external auditor before it is signed by management and consider whether, based on its knowledge, the information is complete and appropriate;

- 9.6.10. develop, implement and oversee a policy on the supply of non-audit services to the Group by the external auditor, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account relevant guidance, and reporting to the Board on any improvement or action required; and
- 9.6.11. consider annually the effectiveness of the external audit process and obtain evidence of the effectiveness of the external audit and the auditor from those impacted by the audit, including approaches such as:
  - (a) evidencing occasions where the auditor has challenged management and the result of those challenges;
  - (b) how the auditor responded to its previous assessments of the audit quality and whether any concerns expressed by the Committee have been addressed;
  - (c) the auditor's own assessment of the quality of the audit, and its quality assurance systems;
  - (d) engagement level Audit Quality Indicators agreed with the Committee; and
  - (e) if the audit has been reviewed by the FRC, the auditor's response to the findings and details of any action plans.

## 9.7. Governance

The Committee shall:

- 9.7.1 keep under review developments in corporate governance regulations and best practice and make recommendations to the Board as necessary;
- 9.7.2 Annually conduct a review of the Company's compliance with the Code; and
- 9.7.3 Review and recommend to the Board the inclusion of the Corporate Governance Report in the Annual Report.

## 10. REPORTING RESPONSIBILITIES

- 10.1. The committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:
  - 10.1.1. the significant issues that it considered in relation to the financial statements and how these were addressed;
  - 10.1.2. its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
  - 10.1.3. any other issues on which the Board has requested the committee's opinion.

- 10.2. The committee shall 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 shall compile a report on its activities to be included in the Company's annual report which shall describe the work of the committee including:
  - 10.3.1 an explanation of how the committee has addressed the effectiveness of the external audit process;
  - 10.3.2 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 external auditor, and all other information requirements set out in the Code;
  - 10.3.3 an explanation of its assessment of the independence and effectiveness of the external audit process, including the provision of non-audit services, and how auditor objectivity and independence is safeguarded; and
  - 10.3.4 all other information requirements set out in the Code and the Minimum Standard, including details of the activities the committee has undertaken to meet the requirements of the Minimum Standard.
- 10.4. In compiling the reports referred to in 10.1 and 10.3, 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. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

## **11. OTHER MATTERS**

The committee shall:

- 11.1. have access to sufficient resources in order to carry out its duties, including access to the company secretary and any employees of the Group for assistance as required;
- 11.2. 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;
- 11.3. give due consideration to laws and regulations, the directors' duties contained in the Companies Act 2006, the provisions of the Code, Minimum Standard and the requirements of the Financial Conduct Authority's UK Listing Rules, Prospectus, and Disclosure and Transparency Rules and any other applicable rules, as well as guidelines or recommendations published by investor bodies as appropriate and the recommendations and requirements of any body which regulates the activities of the Group;
- 11.4. be responsible for co-ordination of the external auditors and any internal audit function;

- 11.5. oversee any investigation of activities which are within its terms of reference;
- 11.6. work and liaise as necessary with all other Board committees;
- 11.7. 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; and
- 11.8. publish these terms of reference on the Company's website.

## **12. AUTHORITY**

The committee is authorised to:

- 12.1. seek any information it requires from any employee or contractor of the Group in order to perform its duties;
- 12.2. obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter where it believes it is necessary to do so;
- 12.3. call any employee to be questioned at a meeting of the committee as and when required;
- 12.4. carry out all duties set out in these terms of reference and have unrestricted access to the Company's documents and information; and
- 12.5. 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.

## **13. APPROVAL**

These terms of reference were approved by the Board on 7 May 2026.