

**AUDIT, RISK, AND HEALTH AND SAFETY COMMITTEE  
TERMS OF REFERENCE**

Name	Audit, Risk, and Health and Safety Committee
Purpose	<p>To oversee the Company's audit, governance, risk, health &amp; safety and finance processes.</p> <p>The Committee shall support the Board and shareholder by reviewing the comprehensiveness and reliability of assurances on governance, risk management, health and safety, the control environment and the integrity of financial statements and the annual report.</p> <p>The scope of work, as defined within these terms of reference encompass all the assurance needs of the Board and shareholder, and in so doing will engage with the work of internal audit, risk management, health and safety management, the external auditor and financial management and reporting issues.</p>
Constitution and Authority	<p>The Audit, Risk and Health and Safety Committee (the Committee) is constituted as a standing committee of the SPV (the Company) Board (the board). The Audit, Risk and Health and Safety Committee shall not have executive powers other than those delegated in these terms of reference.</p> <p>The Audit, Risk and Health and Safety Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any member of staff and all members of staff are directed to co-operate with any request made by the Audit, Risk and Health and Safety Committee.</p> <p>The Audit, Risk and Health and Safety Committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice. The Committee is authorised by the Board of Directors to request the attendance of individuals and authorities from outside the SPV with relevant experience and expertise if it considers this necessary or expedient to the carrying out of its functions.</p>
Declarations of Interest	The Committee will consider the declarations of interest of its membership at each meeting.
Membership	<p>The Committee shall be composed of at least three independent non-executive directors, at least one of whom should have recent and relevant financial experience. One of the members shall be appointed Chair of the Committee by the Board of Directors.</p> <p>Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the non-executive director remains independent.</p> <p>The Chair of the Board shall not be a member of the Committee (but may attend by invitation as appropriate).</p>
Attendance	<p>Only members of the Audit, Risk and Health and Safety Committee have the right to attend meetings, but the Chief Operating Officer, Chief Finance Officer and Executive Director with responsibility for risk and Health and Safety assurance (or their named deputy) shall generally be invited to attend routine meetings of the Audit, Risk and Health and Safety Committee.</p> <p>The Chief Executive officer should be invited to attend meetings and should discuss at least annually with the Audit, Risk and Health and Safety Committee the process for assurance that supports the governance statement. He / she</p>

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	<p>should also attend when the Committee considers the draft of the annual governance statement and the annual report and accounts.</p> <p>The External Auditor or his representative should normally attend meetings.</p> <p>The Head of Internal Audit should also attend routine meetings.</p> <p>SPV Directors and/or staff and executives shall be invited to attend those meetings in which the Audit, Risk and Health and Safety Committee will consider areas of risk, Health &amp; Safety or operation that are their responsibility.</p> <p>The # shall be the secretary to the Audit, Risk and Health and Safety Committee and will provide administrative support and advice to the Chair and the Committee members.</p> <p>The External Auditor shall be afforded the opportunity at least once per year to meet with the Audit, Risk and Health and Safety Committee without Executive Directors present.</p> <p>Other individuals and external advisors may be invited to attend for all or part of any meeting as and when appropriate, with the prior agreement of the Committee Chair.</p> <p>The Head of Internal Audit, and representatives of External Audit have a right of direct access to the Chair of the Committee.</p>
<p>Quorum</p>	<p>A meeting quorum will be two Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any authorities, powers and discretions vested in or exercisable by the Committee.</p> <p>Urgent decisions may be exercised by the Committee on a virtual basis, subject to ratification by the Committee at the next formal meeting.</p> <p>Members of the Committee are able to attend a meeting without being in the same place, however they should communicate with each other during the meeting. The Chairman must confirm who is present on the call/video conference and all participating members should be formally recorded.</p>
<p>Frequency of meetings</p>	<p>Meetings shall be held at least three times per year, the total number of meetings being determined by the assurance required by the committee to discharge its responsibilities. The Board of Directors, Chief Executive, External Auditors or Head of Internal Audit may request an additional meeting if they consider that one is necessary.</p> <p>Members of the Audit Committee must attend at least three of all meetings each financial year but should aim to attend all scheduled meetings.</p>
<p>Duties</p>	<p>The duties of the Committee will be driven by the priorities of the Company, as identified by the Board, and the associated risks. It will operate to a programme of business, which will be flexible to new and emerging priorities and risks.</p> <p>The Committee will undertake the following duties:-</p> <ul style="list-style-type: none"> <li>• Integrated governance, internal controls, risk management,</li> <li>• Systems of financial control,</li> <li>• Oversight of Finance Operations on behalf of the Board,</li> <li>• Financial reporting and accounts,</li> <li>• Compliance, raising concerns (whistleblowing) policy,</li> <li>• Internal audit,</li> </ul>

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- External audit,
- Oversight of Health and Safety for the organisation,
- Other assurance functions,
- Compliance with the Articles of Association and Governance Framework.

**Integrated Governance, Internal Controls, Health and Safety and Risk Management Systems**

The Committee shall keep under review the adequacy and effectiveness of the company's internal financial controls, internal control and risk management systems across all activities that support the achievement of the company's objectives. In particular the Committee will review the adequacy and effectiveness of:

- all risk and control related disclosure statements, together with any internal and external audit opinions or other appropriate independent assurances, prior to endorsement by the Board.
- the underlying assurance processes that indicate the degree of achievement of objectives.

**Internal audit**

The Committee shall ensure that there is an effective internal audit function that meets the requirements of the Financial Reporting Council (2010) and professional internal audit standards e.g. the Chartered Institute of Internal Audit.

**External audit**

The Committee shall review the work and findings of the external auditors and consider the implications and management's responses to their work. The Committee shall:

- consider the appointment and performance of the external auditors, as far as the rules governing the appointment permit. Make recommendations to the shareholder in relation to the appointment, re-appointment and removal of the company's external auditor.

The Committee shall oversee the selection process for a new auditor and, if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

The Committee shall review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures.

**Other Assurance Functions**

The Committee will have oversight of other external reviews and consider the impact on the control systems of the Company.

The Committee will evaluate the level of assurance relating to internal control systems that are contained within external review reports and monitor management's response to recommendations and agreed actions.

The Audit, Risk and Health and Safety Committee will review the work of other Committees / Groups within the company, where work can provide assurance to

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	<p>the Audit, Risk and Health and Safety Committee’s own scope of work. This will include the following executive level committees: <b>Health and Safety, ##### and.</b></p> <p><b>Financial Reporting and Accounts</b></p> <p>The Committee shall monitor the integrity of the financial statements of the company, including any interim reports, management statements, 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 communicates to it by the auditor.</p> <p>The Committee shall review and report to the Board on the accounting policies, the accounts, and the annual report of the Company, including the process for review of the accounts prior to submission to the Board.</p> <p>The Committee shall review and challenge where necessary:</p> <ul style="list-style-type: none"> <li>• the consistency of, and any changes to, accounting policies on a year by year basis;</li> <li>• the methods used to account for significant or unusual transactions where different approaches are possible;</li> <li>• whether the company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;</li> <li>• the clarity of disclosure in the company’s financial reports and the context in which statements are made;</li> <li>• significant adjustments resulting from the external audit; and</li> <li>• all material information presented with the financial statements, such as the business review/ operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).</li> </ul> <p>The Committee will also review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced, understandable and provides the information necessary for the shareholder to assess the company’s performance, business model and strategy.</p> <p>The Committee will receive regular reports on waivers and material asset acquisitions and disposals to enable the members to raise challenge, where appropriate and ensure processes are operating effectively.</p> <p>The Committee will receive an annual report on the schedule of losses and compensations, to enable the members to raise challenge, where appropriate and ensure processes are operating effectively.</p> <p>The Committee shall provide such information for inclusion in the Company’s Annual Report and Accounts as required.</p>
Reporting	<p>The minutes of each meeting will be submitted to the Board and supplemented by a short written assurance report, which shall include any matters in respect of which actions or improvements are needed and be presented by the Committee Chair.</p>
Administrative Arrangements	<p>The Chair and the Chief Finance Officer and/or the Company Secretary will set the agenda in line with the Committee annual work plan.</p>

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	<p>Unless otherwise agreed, details of the meetings and supporting papers, shall be forwarded to each member of the Committee no later than five working days before the meeting.</p> <p>Formal minutes for each meeting, including decisions and actions, will be recorded and retained by the Secretary to the Board (the Company Secretary or their nominated deputy). These may be accessed by Company’s auditors with the prior approval of the Committee Chair.</p>
Review	<p>The Committee will annually review its performance, 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. The Committee will submit to the Board an annual report recording how it has fulfilled its terms of reference during the year.</p> <p>These terms of reference will normally be reviewed annually. The Board will be required to approve and endorse any changes.</p>

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