RM plc

Terms of Reference – Audit and Risk Committee

September 2026

A. Membership

1. The members of the Committee shall comprise all the independent non-executive directors of the Board, excluding the Chair of the Board, unless otherwise determined by the Board.

2. The Board should appoint the Committee Chair and determine the period of office. In the absence of the Committee Chair, the remaining members present will elect one of their number, who must be an independent director, to chair the meeting.

3. The Company Secretary or their nominee will act as the Secretary of the Committee.

B. Meetings

4. The quorum necessary for meetings will be 2 and shall include any members participating by teleconference or videoconference.

5. The Board should satisfy itself that at least one member of the Committee has recent and relevant financial experience.

6. The Committee will meet at least three times a year and at such other times as the Committee Chair considers appropriate. There should be at least one meeting a year, or part thereof, where the external and internal auditors (where appointed) attend without management present.

7. A meeting of the Committee may be called by any member of the Committee or by the Secretary or the person leading the risk management work for the Company ('Group Risk Manager'). External auditors or internal auditors may request a meeting if they consider that one is necessary.

8. Formal decisions are passed by a simple majority vote, with the Committee Chair holding a casting vote.

9. The Chief Executive, Chief Financial Officer, Group Financial Controller, Group Head of Internal Audit & Internal Controls, and a representative of the external auditors, normally the lead partner, shall attend meetings at the invitation of the Committee. Others may be invited to attend with the permission of the Committee Chair.

10. Notice of meetings shall be provided by the Secretary of the Committee at the request of the Committee Chair.

11. The Secretary will minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

C. Duties

12. The Committee shall carry out the following duties:

a) **Financial reporting**

The Committee shall:

i. monitor the integrity of the financial statements of the Company and the Group, including its annual and half-yearly reports, interim management statements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain; and

ii. in particular, review and challenge where necessary:

a. the consistency of, and any changes to, 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 Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the Company's auditors;
d. the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
e. all material information presented with the financial statements, such as the business review or operating and financial review and the corporate governance statement (insofar as it relates to the audit);

iii. 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; and

iv. where requested by the Board, 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 and accounts on these matters.

b) **Internal controls and risk management systems**

The Committee shall:

i. advise the Board on the Company's overall risk appetite, tolerance and principal and emerging risks the Company is willing to take in order to achieve its long-term strategic objectives;

ii. ensure that a robust assessment of the principal risks facing the Group has been undertaken (including those risks that would threaten its business model, future performance strategy, solvency or liquidity) and provide advice on the management and mitigation of those risks;

iii. review regularly the Group risk register and approve the methodology adopted;

iv. review and monitor the effectiveness of the Company's internal financial control systems that identify, assess, manage and monitor financial risks and other internal control and risk management systems; and, at least annually, carry out a review of their effectiveness, and review and approve the statement to be included in the Annual Report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement; and

v. provide advice on how, taking into account the Company's position and principal risks, the Company's prospects have been addressed, over what period and why the period is regarded as appropriate. The Committee shall also advise on whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the same period, drawing attention to any qualifications or assumptions as necessary.

c) **Compliance, whistleblowing and fraud**

The Committee shall:

i. 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;

ii. review the Group's procedures for detecting fraud; and

iii. review the Group's systems and controls for ethical behaviour, the prevention of bribery and modern slavery and receive reports on non-compliance.

d) **Internal audit**

The Committee shall:

i. monitor and review the effectiveness of the Group's internal audit processes in the context of the Company's overall risk management system;
ii. consider and approve the remit of internal audit and ensure adequate resources and unrestricted scope and access to information to enable it to fulfil the internal audit plan;
iii. agree the annual internal audit plan and ensuring it is aligned to the key risks of the Group;
iv. reviewing the internal audit reports and the follow-up to points raised;
v. ensure that the internal audit function has unrestricted scope, the necessary resources (including external resources and outsource providers, as appropriate) and access to information to enable it to perform its function effectively, ensure there is open communication between different functions and that the Head of Internal Audit & Internal Controls evaluates the effectiveness of these functions as part of the internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors.;
vi. ensure the Group Head of Internal Audit & Internal Controls has direct access to the Board Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee;
vii. carrying out an annual assessment of the effectiveness of the internal audit function and as part of this assessment:

    - meet with the Group Head of Internal Audit & Internal Controls without the presence of management to discuss the effectiveness of the function;
    - review and assess the annual internal audit work plan;
    - receive a report on the results of the risk management work;
    - determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business;
    - review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function; and
    - monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system and the work of compliance, finance and the external auditor; and

viii. consider whether an independent, third-party review of processes is appropriate.

e) **External audit**

The Committee shall:

i. consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's auditors. 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;
ii. ensure that at least once every ten years the audit services contract is put out to a competitive tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent external auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;

iii. rotate the external auditor after 10 years;

iv. oversee the relationship with the Company's auditors including (but not limited to):
   a. to influence the appointment of the audit engagement partner;
   b. to ensure 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 the shareholders;
   c. to ensure rotation of other key audit partners after seven years;
   d. approving their remuneration, whether in respect of audit or non-audit services, ensuring that the level of fees is appropriate to enable an adequate audit to be conducted;
   e. approving their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
   f. assessing annually their independence and objectivity and monitoring the auditor's independence throughout the year taking into account relevant professional and regulatory requirements and the relationship with the auditors as a whole, including the provision of any non-audit services;
   g. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the Company's auditors and any Group company (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity;
   h. agreeing with the Board a policy on the employment of former employees of the Company's external auditor, taking into account the Financial Reporting Council's Ethical Standard and legal requirements, then monitoring the implementation of this policy;
   i. monitoring the Company's auditors' compliance with relevant ethical and professional guidance on the rotation of the audit partner, the level of fees paid by the Group compared to the overall fee income of the firm, office and partner and assess these in the context of relevant legal, professional and regulatory requirements and guidance and other related requirements;
   j. monitoring the auditor's processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of audit partner and staff;
   k. assessing annually the qualifications, expertise and resources of the Company's auditors and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements, which shall include a report from the external auditor on their own internal quality procedures and seek to ensure the rotation of the engagement quality control reviewer after seven years;
   l. seeking to ensure co-ordination with internal audit activities;
   m. considering the risk of the withdrawal of the Company's present external auditor from the market;
   n. 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;

v. meet regularly with the auditors, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the Company's auditors at least once a year, without management being present, to discuss the Company's auditors' remit and any issues arising from the audit;

vi. review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;

vii. review the findings of the audit with the Company's auditors. This shall include, but not be limited to, the following:
   a. a discussion of any major issues which arose during the audit;
   b. any key accounting and audit judgements;
   c. levels of errors identified during the audit; and

d. the effectiveness of the audit; and

viii. the Committee shall also:

a. review any representation letter(s) requested by the external auditor before they are signed by management;

b. review the management letter and management's response to the external auditor's findings and recommendations; and

c. develop, implement and oversee the Company's policy on the supply of non-audit services (including those services which are expressly prohibited) by the external auditor, ensuring there is prior approval of non- audit services, considering the impact may have on independence, taking into account any relevant regulations and ethical guidance on the matter and to report to the Board, identifying any matters in respect of which it considers that action or improvement is required.

f) **Evaluation**

The Committee shall evaluate its own performance and make recommendations to the Board with regard to any update to these Terms of Reference.

g) **Reporting**

13. All proceedings of the Committee shall be reported formally to the Board by the Committee Chair.

14. The Committee shall report to the Board on how it has discharged its responsibilities. This reporting shall include:
    a) the significant issues that it considered in relation to the financial statements and how these issues were addressed;
    b) its assessment of the effectiveness of the external audit process and its recommendation on the appointment or reappointment of the external auditor; and
    c) any other issues on which the Board has requested the Committee's opinion.

15. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

16. The Committee shall prepare a separate report to be included within the Company's Annual Report and Accounts which includes a summary of its duties and activities during the year. The report should include:

    a. an explanation of how the Committee has addressed the independence and effectiveness of the external audit process;
    b. 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;
    c. how the Committee has addressed the effectiveness of the internal audit process; and
    d. all other information requirements set out in the UK Corporate Governance Code.

    The Committee 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.

17. In compiling the reports referred to in paragraphs 14 and 16, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant. This should include at least those matters that have informed the Board's assessment of whether the Company is a going concern and its assessment of the Company's prospects and its expectations as to the Company's viability. The report

to shareholders need not repeat information disclosed elsewhere in the annual report and accounts but could provide cross-references to that information.

D. Authority

18. The Committee is authorised to seek any information it requires from any employee of any Group company in order to perform its duties to call any employee to be questioned at a meeting of the Committee as and when required.

19. The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

20. The Committee shall give due regard to the UK Corporate Governance Code, the Financial Conduct Authority's Listing, Prospectus and Disclosure and Transparency Rules and any applicable laws and regulations.

21. Work and liaise as necessary with all other Board Committees ensuring interaction between Committees and with the Board is reviewed regularly, in relation to the impact of risk management and internal controls being delegated to different Committees.

22. The Committee may, as it deems appropriate, delegate authority to a sub-committee comprising one or more executive directors to conclude the final details of and implement decisions taken by the Committee.

E. Annual General Meeting

23. The Committee Chair will attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

F. Other Matters

24. The Committee shall:

    a) be responsible for co-ordination of the internal audit function and the external auditor; and
    b) oversee any investigation of activities which are within its terms of reference.

25. Outside of the formal meeting programmes, the Chair of the Committee will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer, the Chief Financial Officer, the external audit lead partner and the Group Head of Internal Audit & Internal Controls.