

Adopted at the meeting of the Board of Directors of the Company on 24 November 2022

ACG Acquisition Company Ltd (the “Company”)

(CRN: 2067083)

Terms of Reference – Audit Committee

Definitions

For purposes of these Terms of Reference, the following definitions shall apply:

“**Board**” shall mean the Board of Directors.

“**Committee**” shall mean the Audit Committee.

“**Group**” shall mean the Company and all of its subsidiaries.

1 Membership

- 1.1** The Committee shall comprise at least three directors who shall be financially literate, non-executive directors, all of whom should be independent. At least one member of the Committee will have recent and relevant financial experience and hold relevant formal qualifications. In addition, the Committee as a whole should have competences relevant to the Company’s sectors.
- 1.2** Only members of the Committee and the Secretary of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, head and members of the Internal Audit Department, independent advisors, other observers approved by either the Board and/or the Committee so to do, and members of the finance function and senior management may be invited to attend all or part of any meeting as and when appropriate, but will not be entitled to vote on any matter being considered by the Committee. The external auditor will be invited to attend meetings of the Committee on a regular basis.
- 1.3** Appointments to the Committee are made by the Board, on the recommendation of the Remuneration & Nominations Committee, and shall be for a period of three years, which may be extended for further periods of another three years, provided the director still meets the criteria for membership of the Committee.
- 1.4** The Committee Chairman shall be appointed by the Board on the recommendation of the Nominations Committee. The Chairman of the Committee must be an independent non-executive director. The Chairman of the Board may be a member of the Committee but cannot be the Chairman of the Committee. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 1.5** A former partner of the Company’s existing auditing firm is prohibited from acting as a member of the Committee for a period of one year commencing on the date of his ceasing: (i) to be a partner of the firm; or (ii) to have any financial interest in the firm, whichever is later.

2 Secretary

- 2.1 The Company Secretary or his or her nominee will act as Secretary to the Committee.

3 Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members who are independent non-executive directors. 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 Each member shall have one vote. The Committee Chairman shall not have a second or casting vote.

4 Frequency and Proceedings of Meetings

- 4.1 The Committee shall meet at least once every financial quarter at appropriate times as might be determined by the Company's reporting and audit calendar and otherwise as required.
- 4.2 Proceedings and meetings of the Committee will be governed by the provisions of the Articles for regulating meetings and proceedings of the Board, in so far as they are applicable and not inconsistent with these terms of reference.

5 Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members or at the request of the Chief Financial Officer, external auditors if they consider it necessary.
- 5.2 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 no later than five working days before the date of the meeting. Supporting papers should be sent to the Committee members, and to the other attendees as appropriate, reasonably in advance.

6 Minutes of Meetings

- 6.1 The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 The Secretary of the Committee shall ascertain the existence of any conflicts of interest and minute them accordingly. If any conflicts of interest exist with a particular member of the Committee on any particular issue then such member of the Committee shall not participate or vote on the issue that gave rise to such conflict of interest.
- 6.3 Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee, and, if requested by the Committee Chairman, to other attendees, and, once agreed, to all members of the Board, unless it would be inappropriate to do so, for example, due to the existence of a conflict of interests.

7 Duties

- 7.1 The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

7.2 The Committee will consider and develop an Audit Charter for the Company, which it will recommend to the Board to approve, and will review and update from time to time.

7.3 *The Committee shall with regard to Financial Reporting:*

7.3.1 monitor the integrity of the financial statements of the Company/Group, including its annual and interim reports, preliminary results' announcements, and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain;

7.3.2 monitor and review the group's financial and accounting policies and practices and the effectiveness of management processes and internal controls over financial reporting including the estimation and reporting of reserves and resources; and

7.3.3 report on the assurance process for the completion of the Annual Report and to ensure the Annual Report and accounts are fair, balanced, and understandable.

7.3.4 In particular, the Committee shall review and challenge where necessary:

(i) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company/Group;

(ii) the methods used to account for significant or unusual transactions where different approaches are possible and how they are disclosed;

(iii) whether the Company/Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

(iv) significant adjustments resulting from the audit;

(v) the reporting of related party transactions;

(vi) the going concern assumptions and any qualifications;

(vii) viability statement;

(viii) the clarity of disclosure in the Company's/Group's financial reports and the context in which statements are made;

(ix) compliance with applicable legal and regulatory requirements in relation to financial reporting;

(x) the statement on climate related financial disclosures is consistent with the TCFD recommendations and recommended disclosures having been advised by the Sustainability and Technical Committee thereon; and

(xi) all material information presented with the financial statements, such as the management discussion and financial review, and the corporate governance statement (insofar as it relates to the internal controls and the audit and risk management).

7.4 *The Committee shall with regard to Internal Controls and Business Risk Management Systems:*

7.4.1 review, keep under review and report to the Board the effectiveness of, the Company's/group's internal financial, operational and compliance controls and

- business risk management systems,
- 7.4.2 review and approve the statements to be included in the Annual Report concerning internal controls and business risk management;
 - 7.4.3 review the internal control system and framework established to monitor and measure the availability, integrity and reliability of non-financial data of the group relating to sustainable development and consider the data and analysis provided by the Sustainability Committee in relation to the sustainable development controls and risk mitigation actions, as defined by the Terms of Reference of the Sustainability Committee
 - 7.4.4 consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response to any such investigations or internal control matters;
 - 7.4.5 advise the Board on the Group's overall risk appetite, tolerance and strategy taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments published by authoritative and regulatory sources that may be relevant for the Company's/Group's risk policies as well as the data provided by the Sustainability and Technical Committee in relation to sustainable development risks in accordance with its Terms of Reference;
 - 7.4.6 oversee and advise the Board on the current risk exposures of the Company/Group and future risk strategy;
 - 7.4.7 in relation to risk assessment;
 - (i) keep under review the Company's/Group's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
 - (ii) review regularly and approve the parameters used in these measures and the methodology adopted; and
 - (iii) set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
 - 7.4.8 review the Company's capability to identify and manage new risk types including ensuring a robust assessment of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten the Company's business model, future performance, solvency or liquidity and reputation) and that procedures are in place to identify emerging risks and provide advice on the management and mitigation of those risks; and
 - 7.4.9 review reports on any material breaches of risk limits and the adequacy of proposed actions.
- 7.5** *The Committee shall with regard to Business Integrity and Whistleblowing keep under review to the extent necessary:*
- 7.5.1 the adequacy and security of the group wide arrangements and procedures for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting, misconduct, fraud, bribery, corruption and other matters. The Committee shall ensure that any such arrangements and procedures allow for proportionate and independent investigation of such matters and follow up action; and
-

7.5.2 the Group's policies, systems and controls for the prevention, detection, reporting and investigation of misconduct, fraud, bribery, corruption or any other unethical activity by employees of the group.

7.6 *The Committee shall with regard to Internal Audit:*

7.6.1 from time to time consider the appropriateness of the Company having an internal audit function, either in-house or outsourced.

7.7 *The Committee shall with regard to External Audit*

7.7.1 consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the Company's external auditor;

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

7.7.3 oversee the relationship with the external auditor including (but not limited to):

- (i) recommendations on auditor remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
- (ii) approval of auditor terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit and to be responsible for any questions of resignation or dismissal of that auditor;
- (iii) assessing annually auditor independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- (iv) satisfying 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);
- (v) agreeing with the Board a policy on employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
- (vi) monitoring the auditor's compliance with the relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
- (vii) assessing annually auditor qualifications, expertise and resources and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures; and
- (viii) seeking to ensure co-ordination with the activities of the internal and external audit function;

7.7.4 meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit;

7.7.5 review and approve the annual audit plan and interim results review plan and ensure that these plans are consistent with the scope of the audit engagement;

7.7.6 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:

- (i) a discussion of any major issues which arose during the audit
- (ii) any accounting and audit judgements, and
- (iii) level of errors identified during the audit.

7.7.7 The Committee shall also:

- (i) review the effectiveness of the audit;
- (ii) review any representation letter(s) requested by the external auditor before they are signed by management;
- (iii) review the management letter and management's response to the auditor's findings and recommendations and ensure that the Board provides a timely response to the issues raised in the management letter; and
- (iv) develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

8 Reporting Responsibilities

8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

8.3 The Committee shall produce a report on its activities to be included in the Company's Annual Report.

9 Other Matters

9.1 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.

9.2 The Committee shall 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.

9.3 The Committee shall give due consideration to laws and regulations, including the provisions of the UK Corporate Governance Code, the requirements of the Listing Rules, the Prospectus Rules and the Disclosure and Transparency Rules (all of which are made by the Financial Services Authority under Part VI of the Financial Services and Markets Act 2000) and any other applicable rules, as appropriate.

9.4 The Committee shall oversee any investigation of activities which are within its terms of reference.

9.5 The Committee shall at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

10 Authority

10.1 The Committee is authorised to seek any information it requires from any employee of the

Company in order to perform its duties and to call any employee to be questioned at a meeting of the Committee as and when required, and all employees are directed to cooperate with any such request made by the Committee.

- 10.2** The Committee is authorised to obtain, at the Company's expense, outside legal, accounting or other independent professional advice on any matter within its terms of reference. Such advisers will be advisers solely to the Committee.
- 10.3** The Committee is 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.