



Providence Life Limited, PCC

TERMS OF REFERENCE FOR  
THE AUDIT COMMITTEE

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## 1. Preamble

The Audit Committee (the “Committee” or “AC”) shall operate as a sub-committee of the Board of Directors (the “Board”) of Providence Life Limited, PCC (“Providence” or “the Company”).

## 2. Membership

- 2.1 The Committee shall be made up of not less than three members, the majority of whom shall be non-executive directors. and at least one of which must be Independent non-executive director.
- 2.2 The Chairperson of the Committee must be a Non-Executive Director and shall be appointed by the Board. The Committee shall also appoint a Vice-Chairperson.
- 2.3 Appointments to the Committee shall be for a period as determined by the Board.
- 2.4 The Chairperson of the Board shall not be the Chairperson of the Committee.
- 2.5 If any member of the Committee resigns or his appointment is terminated by the Board, the Board shall be entitled to appoint a replacement member to the Committee.

The members of the Committee shall be as set out in a Schedule and otherwise as appointed by the Board from time to time.

## 3. Secretary to the Committee

- 3.1 The Co-Company Secretary and the Corporate Company Secretary or its nominee (the “Secretary”) shall act as the Secretary of the Committee.
- 3.2 The Secretary shall be responsible for circulating agendas and documentation ahead of all meetings of the Committee and for keeping detailed minutes of all meetings, which shall be available for inspection by any member of the Committee at any time.

## 4. Quorum

- 4.1 Quorum for meetings of the Committee shall be no less than two members (being present or joining by telephone, videoconference or Microsoft Team call or video) provided that the Chairperson or Vice-Chairperson must be in attendance for a quorum to be achieved. No business may be transacted at a meeting of the Committee unless a quorum is achieved and must include a non-executive director
- 4.2 All meetings of the Committee shall be chaired by the Chairperson or in his/her absence the Vice-Chairperson.
- 4.3 All decisions at meetings of the Committee shall be taken by a majority decision, although unanimity will always be sought in the first instance. Each member shall have one vote and the Chairperson or the Vice-Chairperson shall have a casting vote in the event of a tie.

## 5. Frequency, Notice and Proceedings of Meetings

- 5.1 The Committee shall meet at least every 3 months and otherwise as required to resolve any matters within the Committee's duties.
- 5.2 The Committee shall endeavour to agree upon scheduled meeting dates at the beginning of each year, but in any event not less than three days' notice shall be given to the members of the Committee in respect of proposed meetings, although meetings may be convened in a shorter period if all of the members of the Committee agree and waive such requirement at the commencement of the meeting.
- 5.3 Members of the Committee may attend meetings by telephone, videoconference or Microsoft Team call or video, and such participation shall count towards the quorum of the meeting.
- 5.4 The notice of the meeting confirming the venue, time and date and a formal agenda of items to be discussed at any meeting of the Committee shall be circulated to each member at least three (3) working days in advance of the Committee meeting.
- 5.5 Any executive with responsibility, officers and external advisers reporting to (or assisting) the Committee may be invited to attend meetings, as required. Other Company executives and advisers, as the Chairperson thinks fit, may also be invited to attend meetings.
- 5.6 The Committee may obtain such external professional advice and assistance, to enable it to fulfil its responsibilities and duties, as it considers appropriate.
- 5.7 The external advisers reporting to (or assisting) the Committee:
  - a) may be required to meet separately with the Committee, without management, upon the Chairman's request; and
  - b) may be asked to contribute to the Committee's agenda.

## 6. Minutes of Meetings

- 6.1 The Secretary or Chairperson of the Committee shall confirm at the beginning of each meeting whether quorum has been achieved.
- 6.2 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.
- 6.3 The Secretary of the Committee shall draft the minutes for the Chairperson and after an initial edit be responsible for circulating minutes of meetings of the Committee to the members as soon as possible following the conclusion of the meeting. All minutes shall be circulated to all Committee members and any objection shall be noted. The minutes shall be signed by the Chairperson and Company Secretary/Co-Company Secretary. Thereafter, the minutes shall be filed with the other corporate documents relating to the Company and reported to the Board as appropriate.

## 7. Duties

The Duties of the Committee shall include, but not limited to the following:

- 7.1 Examine and review the quality, accuracy, and integrity of the financial statements of the Company and its quarterly management accounts and any matters relating to the financial performance. Review and challenge where necessary:

- i. consistency of and any changes to the accounting policies and practices;
  - ii. pointing out any matters subject to management judgement;
  - iii. any substantial amendments resulting from the audit;
  - iv. going concern assumptions;
  - v. compliance with auditing standards as required by the Rules;
  - vi. All material information presented with the financial statements;
  - vii. Capital adequacy and internal controls.
  - viii. Review expenses in relation to the approved business plan and the previous year
- 7.2 Review the whistleblowing policy's arrangements and ensure that these arrangements allow proportionate and independent investigation of possible wrongdoing matters and appropriate follow up action.
  - 7.3 To consider any material or extra ordinary items that are included or should be included in the financial reports and accounts and to give due consideration to any matters raised, or the external auditors.
  - 7.4 Review and approve the charter of the internal audit function and ensure the function has the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors;
  - 7.5 Ensure the internal auditor has direct access to the Board Chairperson and to the committee Chairperson, and is accountable to the committee;
  - 7.6 Review and assess the annual internal audit work plan; Receive a report on the results of the internal auditor's work on a periodic basis; Review and monitor management's responsiveness to the internal auditor's findings and recommendations;
  - 7.7 Monitor and review the effectiveness of the Company's internal audit function (at least annually), in the context of the Company's overall risk management system.
  - 7.8 To ensure adequate coordination between the external and internal auditors and to allocate sufficient resources.
  - 7.9 To coordinate with the Board, the executive management and the in order to carry out its duties and to meet with the external auditors of the Company at least once per year.
  - 7.10 Consider and make recommendations to the Board for approval at the Annual General Meeting in relation to the appointment, re-appointment and removal of the Company's external auditors.
  - 7.11 Review the findings of the audit with external auditor. Review the management letter and management's response to the auditors' findings and recommendations.

## 8. Reporting to the Board

- 8.1 The Chairperson of the Committee 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 required.
- 8.3 The Committee shall ensure that all material resolutions arising out of its meetings are promptly forwarded to the Board for consideration if necessary and information purposes and shall otherwise make the minutes of its meetings available to the Board.

## 9. Reporting to the Regulator

- 9.1 The Board shall include in the annual Corporate Governance report to its regulator a statement of the Committee's recommendations in respect of the election, appointment, resignation or dismissal of the external auditor and the reasons behind the Board's non-approval thereof in such event.

## 10. Approval and Review Mechanism

The Terms of Reference shall be approved by the Board and any amendments thereto submitted to the Board for approval.

This document will be reviewed and updated as and when required, at least on an annual basis.

Approved by the Board of Directors of Providence Life Limited, PCC on 20 June 2023.