

## CVC CAPITAL PARTNERS PLC

### AUDIT COMMITTEE - TERMS OF REFERENCE

Approved by the board of directors of the Company on 12 April 2024

#### 1. INTRODUCTION

- 1.1 These Committee terms of reference have been approved and adopted by the board of directors (the *Board*) of CVC Holdings Limited (to be renamed CVC Capital Partners plc) (the *Company*) on 12 April 2024. These terms of reference provide for a delegation of powers to the audit committee of the Board (the *Committee*) and rules for the procedures and decision-making of the Committee.
- 1.2 These terms of reference are complementary to, and subject to, the articles of association of the Company in place from time to time (the *Articles*) and applicable laws and regulations.

#### 2. COMPOSITION AND QUORUM

- 2.1 The Committee will be comprised of at least three members. Members of the Committee are appointed by the Board on the recommendation of the nomination committee of the Board. The Committee shall include at least one member from the risk committee of the Board. All of the members of the Committee should be independent non-executive directors within the meaning of the UK Corporate Governance Code. If the Board decides that a member of the Committee is no longer independent, that member will cease to be a member of the Committee unless otherwise determined by the Board. The chair of the Board may not be a member of the Committee.
- 2.2 At least one member of the Committee should have been determined by the Board to have recent and relevant financial experience. The Committee as a whole should have competence relevant to the sector in which the Company operates.
- 2.3 The Board appoints the chair of the Committee. In the absence of the Committee chair, the remaining members present may elect one of the independent non-executive directors present to chair the meeting.
- 2.4 Only members of the Committee have the right to attend Committee meetings, but the Committee may invite others to attend all or part of any meeting if it thinks it is appropriate or necessary. It is anticipated that the CEO, CFO, head of internal audit and external audit lead partner will frequently be invited to attend meetings of the Committee.
- 2.5 The quorum necessary for the transaction of business at a meeting of the Committee is two members.
- 2.6 A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 2.7 Appointments to the Committee are for a period of up to three years, extendable for two further three-year periods, provided the director still meets the criteria for membership of the Committee.

### **3. THE COMMITTEE'S ROLE AND RESPONSIBILITIES**

#### ***General***

- 3.1 To follow the Financial Reporting Council's Audit Committees and the External Audit: Minimum Standard (*the Minimum Standard*).
- 3.2 To be responsible for discharging governance responsibilities in respect of audit and internal financial control, to assist the Board in fulfilling its responsibilities regarding all matters related to external and internal financial reporting, and to maintain an appropriate relationship with the Company's external auditor.

#### ***Financial/non-financial information and reporting***

- 3.3 To monitor the integrity of the Company's financial statements including its annual and half-yearly financial statements, trading statements and any other formal announcements relating to the Company's financial performance.
- 3.4 To monitor, review and report to the Board on significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements and any other formal announcements relating to the Company's financial performance (having regard to matters communicated to it by the auditor).
- 3.5 To review and challenge where necessary:
  - (a) the application of significant accounting policies and any changes to them;
  - (b) whether the Company has adopted appropriate accounting policies and where necessary made appropriate estimates and judgements, taking into account the views of the external auditor on the financial statements;
  - (c) the clarity and completeness of disclosures in the financial statements and the context in which statements are made; and
  - (d) all related information presented in the annual report, including any strategic report and corporate governance statements relating to the audit.
- 3.6 Where requested by the Board, to review the content of the annual report and advise the Board whether taken as a whole it is fair, balanced and understandable to inform the Board's statement on these matters under the UK Corporate Governance Code
- 3.7 Where the Committee is not satisfied with any aspect of the Company's financial reporting, to report its views to the Board.
- 3.8 To review before publication other statements containing financial information that require Board approval.
- 3.9 The Committee shall also provide oversight in respect of the assurance, monitoring, and review (as appropriate) of relevant published Environmental, Social Governance (ESG) and other non-financial metrics or reporting.
- 3.10 To oversee the development and reporting of the Company's tax strategy and make relevant recommendations to the Board.

### ***Internal audit***

- 3.11 To review and approve the role and mandate of the Company's internal audit function and monitor and review annually the effectiveness of the function's work.
- 3.12 To review and approve the annual internal audit plan and internal audit charter.
- 3.13 To ensure that there is open communication between functions and that the internal audit function evaluates the effectiveness of the finance functions as part of its internal audit plan.
- 3.14 To ensure the internal audit function has unrestricted scope and the necessary resources and access to information to enable it to fulfil its mandate and meet appropriate professional standards.
- 3.15 To approve the appointment and removal of the head of the internal audit function.
- 3.16 To monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system to ensure that the quality, experience and expertise of the function is appropriate for the business.
- 3.17 To consider the actions management has taken to implement the recommendations of the internal audit function and whether they properly support the effective working of the internal audit function.
- 3.18 To review reports to the Committee from the internal auditor and to meet the head of internal audit at least once a year, without management present, to discuss the effectiveness of the internal audit function, its remit and any issues resulting from audits.

### ***External audit***

- 3.19 To be responsible for the selection and appointment procedures for an external auditor, to initiate and conduct any competitive tender process undertaken by the Company for the provision of external audit services and consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, on the appointment, re-appointment, resignation or removal of the external auditor.
- 3.20 To oversee and ensure that the Company manages its non-audit relationships with audit firms to ensure that it has a fair choice of suitable external auditors at the next tender and in light of the need for greater market diversity and any market opening measures which may be introduced.
- 3.21 To oversee the relationship with the external auditor and the effectiveness of the audit process, including but not limited to:
  - (a) approving the terms of engagement of and remuneration to be paid to the external auditor in respect of audit services, ensuring that the fees are appropriate to enable an effective and high quality audit to be conducted;
  - (b) reviewing and agreeing the engagement letter issued by the external auditor at the start of each audit and the scope of the external audit and audit plan, arranging additional work as appropriate;
  - (c) developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant

regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required;

- (d) approving any non-audit services provided by the external auditor;
  - (e) reviewing and monitoring the external auditor's independence and objectivity, including the impact of the supply of any non-audit services by the auditor, and the effectiveness of the audit process, taking into account relevant legal, ethical, professional and regulatory requirements and all group relationships with the external auditor and its network firms as a whole;
  - (f) overseeing the appointment of the individual identified by the external auditor as being primarily responsible for the conduct of the audit;
  - (g) agreeing with the Board a policy on the employment of former employees of the external auditor, taking account of relevant ethical standards and legal requirements, monitoring the application of this policy, including the Committee's own safeguards relating to independence, and considering whether there has been any impairment or appearance of impairment of the external auditor's independence and objectivity;
  - (h) reporting to the Board on the external auditor's qualifications, expertise, resources, independence and objectivity and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures and a recommendation on whether to propose to shareholders that the external auditor be reappointed; and
  - (i) evaluating the risks to the quality and effectiveness of the financial reporting process, especially in light of the auditor's communications with the Committee.
- 3.22 To investigate the issues leading to any resignation of an external auditor and decide whether any action is required.
- 3.23 To communicate regularly and openly with the external auditor to ensure that the external auditor has full access to the Company's staff and records and to seek to ensure co-ordination between the external auditor and the internal audit function.
- 3.24 To meet the external auditor at least twice a year, without management, to discuss matters relating to the auditor's remit and any issues arising from the audit.
- 3.25 To review the findings of the audit and the auditor's report with the external auditor, including but not limited to:
- (a) major issues that arose during the audit, both resolved and unresolved;
  - (b) how the external auditor addressed risks to audit quality;
  - (c) key accounting and audit judgements;
  - (d) the level of errors identified during the audit; and
  - (e) interactions between the external audit team and senior management and other members of the finance team.

- 3.26 To work to create a culture which recognises the work of, and encourages challenge by the external auditor, giving due consideration to points raised and making changes to financial statements in response, where appropriate.
- 3.27 To assess the effectiveness of the external audit process and the quality of the external audit, taking into consideration relevant professional and regulatory requirements, including but not limited to:
- (a) understanding how risks to audit quality are identified and addressed;
  - (b) reviewing the external auditor's compliance with the audit plan;
  - (c) obtaining evidence and feedback from those impacted by the audit and external auditor; and
  - (d) reviewing and monitoring the external auditor's management letter and its other communications with the Committee.

#### ***Internal financial controls***

- 3.28 To monitor and review the adequacy and effectiveness of the Company's internal financial controls.
- 3.29 To receive and review regular assurance reports from management, internal audit, external audit and others on matters related to financial control.

#### ***Shareholder engagement***

- 3.30 To facilitate engagement by the Company with shareholders on the external audit and other material matters related to the areas of the Committee's responsibilities (as required).

### **4. OTHER COMMITTEES**

The Committee must work and liaise as necessary with all other Board committees, ensuring the Committee's relationship with other Board committees and with the Board is monitored and regularly reviewed.

### **5. MEETING ADMINISTRATION**

- 5.1 Meetings of the Committee are called by the Company's secretary of the Committee at the request of the Committee chair or any other Committee member.
- 5.2 The Committee should meet as often as it deems necessary but in any case at least three times a year, at appropriate times in the financial reporting and audit cycle. The Committee should approve the annual calendar of its meetings. Additional meetings may be called by the chair or other members of the Committee as necessary.
- 5.3 Unless otherwise agreed by all Committee members, notice of each meeting should be sent to each member of the Committee and to any other person required to attend the meeting as soon as practicable, and in any event no later than three working days before the date of the meeting. The notice of meeting should state the time of the meeting, the place of the meeting, the electronic facility to be used for the meeting (if relevant), any information members need to access the meeting, and an agenda of the items to be discussed and any supporting papers.

- 5.4 Meetings will generally be held and chaired in Jersey. UK-based directors are generally expected to travel to Jersey and attend meetings in person. Remote attendance at meetings, and the attendance requirements for directors based outside of Jersey or the UK, will be determined and communicated from time to time by Group Tax based on relevant tax rules. By exception only, the Committee may hold meetings in a location other than Jersey, save that: (i) this will be only with the prior approval of the secretary of the Committee and Group Tax, including as to the proposed location; and (ii) the location will not be the UK.
- 5.5 All directors must inform the secretary of the Committee and Group Tax in advance of a meeting whether they are travelling to Jersey for the relevant meeting and, if not, where they intend to join from. Such notification shall be provided sufficiently in advance of the relevant meeting to enable the secretary of the Committee and Group Tax to confirm that the necessary procedures are being followed and, if necessary, for travel plans in respect of the relevant meeting to be altered on the advice of Group Tax.
- 5.6 The Committee may hold meetings at a physical place or by means of any electronic facility (or both in respect of the same meeting). If approved by the secretary of the Committee and Group Tax, the Committee may take decisions without a meeting by unanimous written consent, when the Committee chair considers this to be necessary or desirable.
- 5.7 Outside the formal meeting programme, the Committee chair should maintain a dialogue with key individuals involved in the Company's governance, including the Board chair, the CEO, the CFO, the external audit lead partner and the head of internal audit.

## **6. SECRETARY**

- 6.1 The Company's secretary or such person as the Committee chair nominates acts as the secretary of the Committee.
- 6.2 The secretary should ensure that the Committee receives information and materials in a timely manner to enable full and proper consideration to be given to them.
- 6.3 The secretary should minute the proceedings and resolutions of all meetings of the Committee, including recording the names (and location if attending remotely) of those present and in attendance.
- 6.4 Draft minutes of Committee meetings should be sent to all members of the Committee. Once approved, minutes should be sent or made available to all other members of the Board and the secretary, unless, exceptionally, the chair of the Committee thinks it is inappropriate to do so.

## **7. SELF-REVIEW**

The Committee chair should review the Committee's performance, composition and terms of reference at least once a year and the Committee should recommend to the Board any changes it considers necessary or desirable.

## **8. REPORTING**

- 8.1 The Committee should report to the Board on how it has discharged its responsibilities, including:
- (a) the significant issues that the Committee considered in relation to the financial statements and how these 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 asked for the Committee's opinion, identifying any matters in respect of which it considers that improvement is needed, whether the subject of a specific action or request by the Board or not, and make recommendations as to the steps to be taken.
- 8.2 The Committee may make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be made available for Board discussion where necessary.
- 8.3 The Committee should produce a report to shareholders to be included in the Company's annual report describing the work of the Committee, including:
- (a) the significant issues that the Committee considered relating to the financial statements, and how these issues were addressed;
  - (b) an explanation of the Company's accounting policies;
  - (c) where shareholders have requested that certain matters be covered by the audit and that request has been rejected, an explanation of the reasons why;
  - (d) an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of retendering plans;
  - (e) where a regulatory inspection of the Company's audit has taken place, information about the findings of that review, together with any remedial action the auditor is taking in the light of these findings;
  - (f) if the Board has not accepted the Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the Committee explaining its recommendation and the reasons why the Board has taken a different position;
  - (g) where there is no internal audit function, an explanation for the absence, how internal assurance is achieved, and how this affects the work of external audit;
  - (h) an explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services; and
  - (i) any statement of compliance required by law or regulations,
- and any other matters the Committee considers should be included taking account of the Financial Reporting Council's guidance on the UK Corporate Governance Code
- 8.4 If a tender process has taken place within the year, the Committee should explain the criteria used to make the selection and the process followed.
- 8.5 The Committee should report on the activities it has undertaken to meet the requirements of the Minimum Standard.
- 8.6 The Committee chair should attend the Company's annual general meeting and be available to answer questions, as directed by the chair of the annual general meeting.

## 9. OTHER MATTERS

The Committee should:

- (a) have access to sufficient resources to carry out its duties, including access to the Company secretariat and Group Tax for advice and assistance as required on all Committee matters;
- (b) be given appropriate and timely training;
- (c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the tax advice received and any other applicable rules and guidance, as appropriate; and
- (d) oversee any investigation of activities which are within its terms of reference.

## 10. AUTHORITY AND EXPENSES

10.1 The Board authorises the Committee to:

- (a) undertake any activity within its terms of reference;
- (b) seek any information from any employee, contractor, consultant or other provider of services to the Company or its subsidiary or controlled undertakings (excluding funds and portfolio companies) that the Committee requires to perform its duties, and call any such person to be questioned at a Committee meeting, as and when required;
- (c) obtain external legal or other professional advice on any matter within its terms of reference at the Company's expense, and invite persons giving such advice to attend Committee meetings; and
- (d) delegate any of its powers to one or more of its members or the secretary of the Committee.

10.2 Where there is a perceived overlap of the responsibilities of the Board's risk committee (the *Risk Committee*) and this Committee, the respective committee chairs will have the discretion to agree on the most appropriate committee to fulfil any obligation. Where the Committee requests that a review be carried out which could have an impact on the Risk Committee, the Committee chair will liaise with the Risk Committee chair to determine the most appropriate way to update the Risk Committee.

10.3 Any and all expenses incurred by the Committee, including any fees for external experts and advisers, will be borne by the Company.

## 11. AMENDMENTS, DEVIATION

The Board may amend or supplement these terms of reference and allow temporary deviations from its rules.