



AUDIT & RISK COMMITTEE TERMS OF REFERENCE

1. INTRODUCTION

The Audit & Risk Committee (the “Committee”) is a committee of the Board of Kore, with its objective being to assist the Board in fulfilling its responsibilities with respect to monitoring and oversight of the financial and internal controls and risk management systems of the Company and its subsidiaries (the “Group”).

2. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are:

2.1 **Financial and Narrative Reporting**

- Monitor the integrity of the financial statements of the Company (including annual and half-yearly reports, interim management statements, preliminary announcements, and any other formal statements relating to its financial performance), and review and report to the Board on significant financial reporting issues and judgments which those statements contain, having regard to matters communicated to it by the auditor,
- In particular, the Committee shall review and challenge where necessary:
 - The application of significant accounting policies and any changes to them,
 - The methods used to account for significant or unusual transactions where different approaches are possible,
 - Whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgments, taking into account the external auditor’s views on the financial statements, and
 - All material information presented with the financial statements, including the corporate governance statements relating to the audit and to risk management.
- Review in the first instance any other statements containing financial information, which require Board approval, where such a review is practicable and consistent with prompt reporting requirements under legislation or regulation,
- Report to the Board on any aspect of proposed financial reporting that the Committee is not satisfied with,
- Where requested by the Board, 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 performance, business model and strategy, and whether it informs the Board’s statement on the same in the Annual Report.

2.2 **Internal Controls and Risk Management Systems**

- Keep under review the Company’s internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems,
- Review and approve the statements in the Annual Report on internal control, risk

management and the viability statement,

- Monitor the need for a formal internal audit function and scope and assess the performance and objectivity of any internal audit procedures that are established.

2.3 Risk

- Advise the Board on the Company's overall risk appetite, tolerance and strategy,
- Oversee and advise the Board on the current risk exposures of the Company, informed by review of risk reports produced by management, including the risk register (which identifies the business risks to the Company and its operation) and any reports on material breaches of risk appetite,
- Review the Company's ability to identify and manage new risk types,
- Advise the Board on the outcome of any due diligence appraisals undertaken in relation to proposed strategic transactions, focusing on risk aspects and implications for the risk appetite of the Company, taking external advice as appropriate,
- Periodically review the scope and adequacy of the Company's insurance, having regard to the Company's business and its associated insurable risks.

2.4 External Audit

- Review and make recommendations to the Board (to be put to the shareholders at the Annual General Meeting) on the (re)appointment or removal of the external auditor,
- Oversee the selection procedure for the appointment of a new audit firm,
- If an external auditor resigns, investigate the issues leading to this and decide on any appropriate action,
- Oversee the relationship with the external auditor: in particular, approve their remuneration (for both audit and non-audit services), ensuring that their level of fees is appropriate to enable an effective and high-quality audit; and approve their terms of engagement (including engagement letter and scope of audit),
- Assess annually the auditor's independence (including any threats to independence and safeguards in place), be satisfied that there are no relationships between the auditor and the Company which could adversely affect independence, and monitor the auditor's processes for maintaining independence (including rotation of audit partner and staff),
- Assess annually the competence of the external auditor to perform the audit function of the Company, and the effectiveness of the external audit process,
- Develop and recommend to the Board the Company's formal policy on the provision of non-audit services by the auditor,
- Meet regularly with the external auditor (including once in the audit planning stage and once at the audit reporting stage) and, at least once a year, meet without management present to discuss the auditor's remit and any issues arising from the audit,
- review and approve the annual audit plan and discuss with the external auditor the factors possibly affecting audit quality,
- Review the findings of the external audit with the auditor, which may include a discussion on the key accounting principles and audit judgments used, any major issues arising during the audit, the auditor's explanation of how the risks to address audit quality were addressed, the auditor's view of their interactions with management, and levels of errors identified during the audit,
- Review any representation letter requested by the external auditor, before it is signed,

- Review the management letter and management's responses thereon.

2.5 Whistleblowing and Fraud

- Review the adequacy and security of the Company's whistleblowing arrangements, ensuring that these allow proportionate and independent investigation of concerns with appropriate follow-up action,
- Review the Company's procedures for detecting fraud,
- Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.

3. REPORTING

- 3.1 The Chairman of the Committee ("Chairman") is to report to the Board and, as appropriate, make recommendations to the Board after each Committee meeting, concerning matters dealt with by the Committee. In particular, the Chairman shall formally report to the Board on (a) significant issues considered by the Committee in relation to the financial statements; (b) the Committee's assessment of the effectiveness of the external audit process; and (c) other issues on which the Board has requested the Committee's opinion,
- 3.2 The Committee shall compile a report on its activities for inclusion in the Company's Annual Report, having regard to the information requirements set out within the UK Corporate Governance Code.

4. MEMBERSHIP / ATTENDANCE / REMOVAL

- 4.1 The Board will appoint the members of the Committee, on the recommendation of the Nomination & Remuneration Committee and in consultation with the Committee Chairman. The Committee shall consist of at least three Directors, all of whom shall be independent non-executive Directors, and at least one of whom shall have recent and relevant financial experience and with competence in accounting and/or auditing. The chairman of the Board may serve as a member of (but not chair) the Committee, if he/she was considered independent on appointment,
- 4.2 All Directors are invited to attend Committee meetings, unless the Committee considers that, for potential conflicts of interest or reasons of confidentiality, it would not be appropriate for other Directors to be invited to attend the meeting in whole or in part. Other individuals such as the Chief Executive Officer, the Chief Financial Officer and the external audit lead partner will be invited to regularly attend meetings. Other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary,
- 4.3 Appointments to the Committee are made by the Board on an ongoing basis, so long as members continue to meet the membership criteria. The Board may in its discretion, at any time, terminate the appointment of any member of the Committee, and appoint any such other Director that it chooses,
- 4.4 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

5. AUTHORITY

The Committee is authorized to:

- 5.1 Seek any information it requires from any employee of the Company and/or call any employee to be questioned at a Committee meeting, in order to perform its duties,
- 5.2 Obtain, at the Company's expense, independent legal, accounting or professional advice on any matter it believes necessary to do so,
- 5.3 Have the right to publish in the Company's Annual Report details of any issues unresolved between the Committee and the Board.

6. MEETING PROCEDURES

- 6.1 The Committee shall meet semi-annually and otherwise as required. A quorum shall consist of two members. Each member shall have one vote,
- 6.2 Outside of formal meetings, the Committee Chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Board chairman, the Chief Executive Officer, the Chief Financial Officer and the external audit lead partner,
- 6.3 The Company Secretary or his/her nominee shall act as the Secretary of the Committee. The Secretary shall minute the proceedings and resolutions of all Committee meetings. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should also be circulated to other members of the Board, unless in the opinion of the Committee Chairman, it would be inappropriate to do so,
- 6.4 Meetings of the Committee shall be called by the Secretary at the request of the Committee Chairman or any of its members or the external audit lead partner. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda and supporting papers, shall be forwarded to each member of the Committee and other meeting attendees (as appropriate) in a timely manner,
- 6.5 The Committee Chairman should endeavour to attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

7. OTHER

The Committee shall periodically review its own performance and, at least annually, review its 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.