

Adopted	04.10.2021
Most recent review	25.06.2025

GLOBAL INTERCONNECTION GROUP LIMITED (the Company)
TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

1. CONSTITUTION AND PURPOSE

- 1.1 The committee has been established by resolution of the board of directors of the Company (the **Board**) and is to be known as the "Audit Committee".
- 1.2 The role of the Audit Committee is to assist the Board by reviewing and monitoring the policies and procedures, ensuring the independence and effectiveness of the internal and external audit functions, the integrity of the financial and narrative statements, the Company's internal control framework and the extent of principal risks the Company is willing to take to action its long-term strategic objectives.
- 1.3 These terms of reference may be amended from time to time by a resolution of the Board.

2. MEMBERSHIP

- 2.1 The Board shall appoint the chairman of the Audit Committee (the **Chair**) who shall be an independent non-executive director and shall not be the chairman of the Board. In the absence of the Chair or any 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.
- 2.2 The majority of the members of the Audit Committee shall be independent directors appointed by the Board and in consultation with the Chair.
- 2.3 The Audit Committee shall consist of at least two members.
- 2.4 At least one member of the Audit Committee shall have recent and relevant financial experience and competence in accounting or auditing (or both). The Audit Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 2.5 Appointments to the Audit Committee shall be for a period of up to three years, which may be extended to two further three-year periods, provided the member remains independent.
- 2.6 The Board shall regularly review the membership of the Audit Committee to ensure that its membership is refreshed, and undue reliance is not placed on particular individuals.
- 2.7 Members of the Audit Committee shall at all times give due consideration to the corporate governance framework of the Company consisting of corporate governance policies including a code of ethics, insider trading policy, and corporate governance guidelines (the **Corporate Governance Framework**) and any other laws, codes, rules and regulations applicable to the Company.

3. QUORUM AND ATTENDANCE AT MEETINGS

- 3.1 A quorum necessary for the transaction of business at an Audit Committee meeting shall be two members.
- 3.2 No one other than the Chair and members of the Audit Committee is entitled to be present or vote at a meeting of the Audit Committee. However, other individuals may be invited by the Audit Committee to attend for all or part of any meeting, as and when the Audit Committee deems it appropriate and necessary.
- 3.3 The Audit Committee may decide that non-committee members should attend some or all Audit Committee meetings, or parts thereof. The finance director, head of internal audit and external audit lead partner will be invited to attend meetings on a regular basis and others may be invited for a particular meeting or a particular agenda item as and when the Audit Committee deems it appropriate or necessary.
- 3.4 There should be at least one meeting or part of a meeting each year which the external auditor of the Company attends without management present to discuss matters relating to its remit and any issues arising from the audit.

4. FREQUENCY OF MEETINGS

- 4.1 Meetings shall normally be held at such times as the Audit Committee deems appropriate, and in any event shall be held not less than twice a year at appropriate intervals in the Company's financial reporting and audit cycle.
- 4.2 Outside of the formal meeting programme, the Chair, and to the extent necessary other Audit Committee members, will maintain a dialogue with key individuals involved in the Company's governance, including the chair of the Board, the chief executive officer, the chief financial officer and the external audit lead partner.

5. PROCEEDINGS

- 5.1 Unless varied by these terms of reference, meetings and proceedings of the Audit Committee will be governed by the provisions of the Company's articles of incorporation regarding the meetings and proceedings of directors.
- 5.2 Meetings of the Audit Committee shall be called by the Chair or any member of the Audit Committee or at the request of external auditor if they consider necessary.
- 5.3 Unless otherwise agreed, notice of each Audit Committee meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be sent to each member of the Audit Committee and any other person required to attend no later than five working days prior to the date of the meeting.
- 5.4 The Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interests and minute them accordingly. The Chair shall record the proceedings and resolutions of meetings of the Audit Committee, including the names of those present and in attendance.
- 5.5 A decision of the Audit Committee to make a recommendation to the Board is taken in accordance with these terms of reference when all members indicate to each other that they share a common view on a matter.
- 5.6 The Secretary shall circulate the draft minutes of such meetings to all members of the Audit Committee promptly. Once agreed, the minutes shall be circulated by the Secretary to all members of the Board, unless the Audit Committee decides it would be inappropriate to do so, for example because a conflict of interest exists.
- 5.7 The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, including by providing recommendations on any area it deems necessary.

6. AUTHORITY

- 6.1 The Audit Committee shall have access to sufficient resources in order to carry out its duties. The Audit Committee is authorised, at the expense of the Company, to investigate any matter within its terms of reference and to seek any information that it requires from employee or any director in order to perform its duties. All employees and directors of the Company are directed to cooperate with any requests made by the Audit Committee.
- 6.2 The Audit Committee is authorised by the Board to obtain external legal, accounting or other professional advice at the expense of the Company but within any budgetary restraints imposed by the Board and to secure the attendance of any third parties with relevant experience and expertise at meetings of the Audit Committee if it considers this necessary.

7. DUTIES

- 7.1 The Audit Committee shall have oversight in relation to the following matters for the Company and, unless otherwise required or restricted by law or regulation, shall carry out the duties below for the Company, as appropriate.

7.2 Financial reporting

- 7.2.1 To monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to financial performance and to review, and report to the Board

on, the significant financial reporting issues and judgments which they contain, having regard to matters communicated by the auditor;

7.2.2 In relation to 7.2.1, in particular to review and challenge where necessary

- (A) significant accounting policies and any changes to them;
- (B) the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches;
- (C) whether the company has adopted appropriate accounting policies and where necessary, has made appropriate estimates and judgements, taking into account the views of the external auditor on the financial statements;
- (D) the clarity and completeness of disclosures in the company's financial statements and whether such disclosures are properly set in context; and
- (E) all material information presented with financial statements, including the strategic report and corporate governance statements relating to the audit and to risk management.

7.2.3 To report its views to the Board if it is not satisfied with any aspect of the proposed financial reporting by the Company;

7.2.4 To review any other announcement or statement which contains financial information, and which requires approval by the Board, prior to such announcement or statement being circulated to the Board, where to do so is practicable and consistent with any reporting obligation under any law or regulation;

7.2.5 The Chair, or as a minimum, another member of the Audit Committee, shall attend the Board meeting at which the accounts are approved.

7.3 **Narrative Reporting**

7.3.1 To review and approve statements to be included in the annual report concerning:

- (A) the going concern statement; and
- (B) the viability statement.

7.3.2 Where requested to do so by the Board, to review the contents of the annual report and accounts and advise the Board 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.

7.4 **Internal controls and risk management systems**

7.4.1 To review the Company's internal financial controls (including the systems to identify, manage and monitor financial risks);

7.4.2 To review reports received from the Company's management on the effectiveness of the internal control and risk management systems established and the conclusions of any testing carried out by the internal or external auditor;

7.4.3 To review and approve statements to be included in the annual report concerning the assessment of principal and emerging risks and internal controls and risk management;

7.4.4 To consider the level of assurance the Audit Committee receives on risk management and internal control systems, including internal financial controls, and whether this is enough to help the Board in satisfying itself that they are operating effectively.

7.5 **Compliance and Fraud**

7.5.1 To review the adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee

shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

7.5.2 To review the Company's procedures and systems and controls for:

- (A) detecting fraud;
- (B) preventing bribery;
- (C) identifying money laundering; and
- (D) ensuring compliance with relevant legal and regulatory requirements.

7.5.3 To review reports (i) on compliance with anti-bribery procedures, (ii) from the money laundering reporting officer and (iii) from the Compliance Officer.

7.6 Internal audit

To consider annually whether there is a need for an internal audit function, taking into account whether there are any trends or current factors relevant to the Company's activities, markets or other aspects of its external environment that have increased, or are expected to increase, the risks faced by the company.

7.7 External audit

To be directly responsible for overseeing the Company's relations with the external auditor including the matters set out below.

(i) Appointment and tendering

7.7.1 In relation to the appointment of the external auditor:

- (A) to consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting of the Company, on the appointment, reappointment and removal of the external auditor;
- (B) to consider when the external audit contract should be put out to tender taking into account the requirements of applicable law and regulation;
- (C) when putting the external audit contract out to tender, to develop and oversee the tendering process and as part of that process to ensure that all tendering firms have such access as is necessary to information and individuals during the process;
- (D) to assess annually, and report to the Board on, the qualification, expertise and resources of the external auditor and the outcome and effectiveness of the audit process (including a report from the external auditor on their own internal quality procedures) and to include in its assessment a recommendation on whether to propose to shareholders that the external auditor should be re-appointed;
- (E) to explain to shareholders in the Audit Committee section of the annual report how the Audit Committee assessed the effectiveness of the external auditor process, the approach taken to the appointment or reappointment of the external auditor, the length of tenure of the incumbent external auditor, when a tender was last conducted and advance notice of any retendering plans;
- (F) if the Board does not accept the Audit Committee's recommendation on the appointment, reappointment or removal of the external auditor, the Audit Committee shall include in the annual report, and in any papers recommending appointment or reappointment, a statement from the Audit Committee explaining its recommendation and setting out the reasons why the Board has taken a different position;
- (G) if the external auditor resigns, to investigate the issues surrounding the resignation and consider whether any action is required.

(ii) Terms and remuneration

7.7.2 In relation to the terms of engagement of the external auditor:

- (A) to approve the external auditor's terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit; and
- (B) to negotiate and agree the remuneration to be paid to the external auditor in respect of audit services, and non-audit services, provided and to satisfy itself that the level of fee payable is appropriate and that an effective, high quality audit can be conducted for such a fee.

(iii) Independence of external auditor

7.7.3 In relation to the independence of the external auditor:

- (A) to assess annually the independence and objectivity of the external auditor, taking into account relevant law, regulation, professional requirements and the group's relationship with the external auditor (and its network firms) as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats, including the provision of any non-audit services;
- (B) to satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business) which could adversely affect the external auditor's independence and objectivity;
- (C) to agree with the Board a policy on the employment of former employees of the Company's external auditor, taking into account the relevant ethical standards and legal requirements, and then monitor the application of this policy, in particular whether there has been any impairment, or appearance of impairment, of the external auditor's independence and objectivity;
- (D) to monitor the external auditor's process for maintaining independence, its compliance with law, regulation and other relevant ethical and professional guidance, including in relation to rotation of the audit partner and staff;
- (E) to monitor the level of fees paid by the Company to the external auditor 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
- (F) to approve the choice of, and ensure the rotation of the lead audit partner and audit review partner as required by law and regulation.

(iv) Provision of non-audit services by the external auditor

7.7.4 To be responsible for approving non-audit services provided by the external auditor to the extent not pre-approved in the Company policy referred to below.

7.7.5 To develop and approve the Company's formal policy in relation to the provision of non-audit services by of the external auditor, taking into account applicable law, regulation and other relevant ethical and professional guidance. The policy should include consideration of the following matters:

- (A) prior approval of non-audit services by the Audit Committee;
- (B) the types of non-audit service for which the use of the external auditor is pre-approved (including setting materiality thresholds); and
- (C) how the Audit Committee will assess whether non-audit services have a direct or material impact on the audited financial statements of the Company.

7.7.6 In relation to the provision of non-audit services, to consider in particular:

- (A) whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit services;

- (B) whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the external audit resulting from the provision of such services by the external auditor;
 - (C) the nature and extent of the non-audit services;
 - (D) the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee; and
 - (E) the criteria which govern the compensation of the individuals performing the audit;
- 7.7.7 Keep the policy under review in order to ensure that the provision of such services does not impair the external auditor's independence or objectivity and to report to the Board on the implementation of the policy;
- 7.7.8 Ensure that, if the external auditor provides non-audit services, an explanation is provided for the shareholders in the annual report on how the external auditor's objectivity and independence is safeguarded, setting out the Audit Committee's policy on the provision of non-audit services;
- (v) Annual audit cycle**
- 7.7.9 Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage, and at least once a year, without management being present, to discuss the auditor's remit and any issues arising out of the audit;
- 7.7.10 Review and approve the auditor's annual audit plan, ensuring that it is consistent with the scope of the audit engagement and discussing with the external auditor the factors that could affect audit quality;
- 7.7.11 Review the findings of the audit with the external auditor, including but not limited to:
- (A) a discussion of any major issues which arose during the audit, and how they have been resolved;
 - (B) the auditor's explanation of how the risks to audit quality were addressed;
 - (C) any accounting and audit judgements;
 - (D) the auditor's view of their interactions with senior management;
 - (E) levels of errors identified during the audit; and
 - (F) the effectiveness of the audit.
- (vi) Evaluation**
- 7.7.12 Review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor and the auditor's response to questions from the Audit Committee.
- (vii) Related party transaction**
- 7.7.13 Review, assess and approve any related party transaction involving the Company.
- (viii) General**
- 7.7.14 To:
- (A) inform the Board of the outcome of the company's external audit and explain how it had contributed to the integrity of financial reporting, and the role of the Audit Committee in that process;
 - (B) review any representation letter(s) requested by the external auditor before they are signed by management and give particular consideration to matters where representation has been requested that relate to non-standard issues;

- (C) evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the Audit Committee;
- (D) review and monitor management's responsiveness to the external auditor's findings and recommendations; and
- (E) seek to ensure co-ordination between the external auditor and the activities of the internal audit function.

7.8 Other

- 7.8.1 To report to the Board on its proceedings after each meeting and on how it has discharged its responsibilities.
- 7.8.2 In exercising its powers, to take into account the duties of directors under the Companies (Guernsey) Law 2008;
- 7.8.3 To promptly provide the Board with such information as may be necessary or desirable in the opinion of the Board to enable the Board to monitor its conduct in order that each member of the Board may fulfil his duties and responsibilities as a director;
- 7.8.4 To have regard to any applicable laws and regulation;
- 7.8.5 At least once a year, to review its own performance constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval;
- 7.8.6 To ensure that these terms of references are made available on the Company's website; and
- 7.8.7 To make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

8. REPORTING TO SHAREHOLDERS

- 8.1 A section of the Annual Report shall describe the work of the Audit Committee (over a defined period) as required by the Corporate Governance Framework, which shall be approved by the Audit Committee. It shall include:
 - 8.1.1 a summary of the role and work of the Audit Committee;
 - 8.1.2 how the Audit Committee composition requirements have been addressed, and the names and qualifications of all members of the Audit Committee during the period, if not provided elsewhere;
 - 8.1.3 the number of Audit Committee meetings;
 - 8.1.4 how the Audit Committee composition requirements have been addressed, and the names and qualifications of all members of the Audit Committee during the period, if not provided elsewhere;
 - 8.1.5 the significant issues that the Audit Committee considered relating to the financial statements, and how these issues were addressed;
 - 8.1.6 an explanation of how the Audit Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, information on the length of tenure of the current external audit firm, when a tender was last conducted, and advance notice of any retendering plans;
 - 8.1.7 in the case of the Board not accepting the Audit Committee's recommendation on the Company's external auditor appointment, reappointment or removal, a statement from the Audit Committee explaining its recommendation and the reasons why the Board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment);
 - 8.1.8 any other issues on which the Board has requested the Audit Committee's opinion; and

- 8.1.9 an explanation of how external auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services.

9. **ANNUAL PERFORMANCE EVALUATION**

The Audit Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. The Audit Committee will report its conclusions to the full Board.

10. **ANNUAL GENERAL MEETING**

The Chair shall be available at the Annual General Meeting to answer questions on the Audit Committee's activities and its responsibilities. In addition, the Chair of the Audit Committee should seek engagement with shareholders on significant matters related to the Audit Committee's area of responsibility.