

GVC HOLDINGS PLC
(the **Company**)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(the **Committee**)

(Adopted by the Board of Directors on 18 December 2019)

ROLE

The role of the Committee is to:

- monitor the Company's financial reporting process and the integrity of the Company's financial and narrative statements;
- monitor the Company's system of internal control and risk management systems and internal audit process; and
- oversee and monitor the audit of the Company's financial statements and the independence of the external auditors.

MEMBERSHIP

1. The Committee shall be appointed by the board of directors of the Company (the Board). The Committee shall have a minimum of three members.
2. Members shall be appointed by the Board on recommendation of the Nomination Committee and Audit Chair.
3. The Board shall appoint the Committee Chair and the Board Chair shall not be a Committee member but may be invited to attend its meetings.
4. All members of the Committee are required to be independent non-executive directors, at least one of whom should have recent and relevant financial experience which will ideally be a professional qualification from a recognised accounting body. The Committee as a whole shall have competence relevant to the sector in which the Company operates.
5. The quorum for meetings shall be two of whom at least one must be an independent non-executive director of the Company. In the absence of the Chair of the Committee at any particular meeting of the Committee, the remaining members present shall elect one of their number to chair the meeting, who must be an independent non-executive director.
6. Appointments to the Committee shall be for a period up to three years, extendable as agreed by the Board.
7. The Committee Chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

MEETING

8. The Company Secretary shall be the Secretary of the Committee.

9. Only members of the Committee are entitled to attend and vote at meetings. Only directors, advisers or other appropriately experienced outsiders may attend at the invitation of the Committee.
10. Outside of the formal meeting programme, the Committee Chair shall maintain dialogue with key individuals involved in the Company governance, including the Board Chair, Chief Executive, Chief Financial Officer, external audit lead partner and head of internal audit.
11. The Committee shall meet no less than three times a year and where appropriate should coincide with key dates in the Company's financial reporting cycle and in any event, meetings may be summoned by the Secretary at the request of any of its members. In addition, the external auditors and/or officers responsible for internal audit (if any) may request a meeting if they consider that one is necessary.
12. The external auditors and the officers responsible for internal audit will be invited to attend meetings on a regular basis and, at least once a year, the Committee shall meet with the external auditors and the officers responsible for internal audit without executive directors' present.
13. Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting together with an agenda of items to be discussed and supporting papers shall be forwarded to each member of the Committee prior to the date of the meeting in a timely manner.
14. The Committee Chair shall attend the Company's Annual General Meeting ("AGM") prepared to respond to any shareholder questions on the Committee's activities and responsibilities.

AUTHORITY

15. The Committee shall investigate any activity within its terms of reference. It may seek any information it requires from any employee of the Company or any subsidiary company. All directors and other employees shall co-operate with any request made by the Committee.
16. The Committee may, at the Company's expense, obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

DUTIES

17. The Committee having regard to the relevant laws and regulations, the duties of the Committee shall be:

Financial Reporting

- a) The Committee shall monitor the integrity of the Company's financial statements and formal announcements relating to the Company's financial performance and review including any significant reporting issues, judgements and estimates; the consistency, quality and appropriateness of accounting policies; the clarity and completeness of financial reporting disclosures which they contain having regard to matters communicated to it by the external auditor.
- b) In particular, the Committee shall review and challenge where necessary:

- i. the application and appropriateness of significant accounting policies, and any changes to them both on a year on year basis and across the Company;
- ii. whether the Company has made appropriate estimates and judgements, taking into account the external auditor's views;
- iii. the clarity and completeness of financial reporting disclosures and any changes to those disclosures, including the review of any correspondence between the Company and the external auditor;
- iv. the methods used to account for significant or unusual transactions (including any off-balance sheet arrangements) where different approaches are possible;
- v. significant adjustments resulting from the external audit;
- vi. the assumption or qualifications in support of the going concern statement including any material uncertainties as to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements and the longer term viability statement including an assessment of the prospects of the Company looking forward over and appropriate and justified period;
- vii. monitor compliance with financial reporting standards and any recognised investment exchange and other financial and governance reporting requirements;
- viii. review all material information presented with the financial statements, such as the strategic report and the corporate governance statements, insofar as it relates to audit and risk management; and
- ix. where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, report its views to the Board.

Narrative Reporting

Where requested by the Board, the Committee shall 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 in the annual report on these matters that is required under the UK Corporate Governance Code.

Risk management systems and internal controls

The Committee shall review and monitor on behalf of the Board:

- c) The Company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk managements and carry out a review of their effectiveness, and review and approve the statement to be included in the annual report concerning internal risk management and the viability statement.
- d) Ensure that 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 provide advice on the management and mitigation of those risks.
- e) The Company's internal financial controls and internal control systems and at least annually carry out a review of its effectiveness and approve the statement to be included in the annual report concerning internal control.

- f) Consider and advise the Remuneration Committee on the alignment of remuneration with the Company's risk appetite.

Viability

The Committee shall provide advice in how, taking into account the Company's position and principal risks, the Company's prospects have been assessed, over what period and why the period is regarded as appropriate. The Committee shall also advise on whether there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the said period, drawing attention to any qualifications or assumptions as necessary.

Internal audit

The Committee shall:

- g) Approve the appointment and removal of the head of the internal audit function.
- h) Review and approve the role and mandate of the internal audit function and monitor and review the effectiveness of its work and annually approve the internal audit charter ensuring that it is appropriate for the Company's current needs.
- i) Review and approve the annual internal audit plan to ensure it is aligned to business's key risks and receive regular reports on work carried out.
- j) Ensure that the internal audit function has unrestricted scope, necessary resources and appropriate access to information to enable it perform its function effectively and in accordance with appropriate professional standards for internal auditors. The Committee shall also ensure that the function has adequate standing and is free from management or other restrictions.
- k) Ensure the internal audit function has direct access to the Board Chair and to the Committee chair and is accountable to the Committee.
- l) Review and assess the annual internal audit plan and be advised of the reasons for any change or delay in the plan and ensure co-ordination between the internal and external auditors.
- m) Receive a report on the results of the internal auditor's work on an annual basis.
- n) Review and monitor management's responsiveness to the internal auditor's findings and recommendations and management's actions to support the effective working of the internal audit function.
- o) Monitor and review and the role and effectiveness of the Company's internal audit function in the context of the Company's overall risk management system and the work of compliance, finance and the external auditor, ensuring that the internal audit plan is aligned to the business's key risks.
- p) Ensure that the Committee meets with the head of internal audit to discuss effectiveness of the internal audit function, without management present, at least once per year.

External audit

The Committee shall:

- q) Consider and make recommendations to the board, to be put to shareholders for approval at the Company's AGM, on the appointment, reappointment or removal of the Company's external auditor.
- r) Ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, develop and oversee the selection process, ensuring that all tendering firms have such access as is necessary to information and individuals during the tendering process.
- s) If an auditor resigns, investigate the issues leading to this and decide whether any action is required.
- t) Oversee the relationship with the external auditor including (but not limited to):
 - recommendations on their remuneration, including both fees for audit and non-audit services, and that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
 - approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of each audit;
 - assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of non-audit services;
 - 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) which could adversely affect the auditor's independence and objectivity;
 - agreeing with the Board a policy on the employment of former employees of the Company's auditor, and monitoring the implementation of this policy;
 - monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of the audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
 - seeking to ensure co-ordination with the activities of the internal audit function; and
 - evaluation the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market in that evaluation.
- u) 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 from the audit.
- v) Review and approve the annual audit plan and ensure that it includes but is not limited to the following:

- a discussion of any major issues which arose during the audit;
 - key accounting and audit judgements; and
 - the effectiveness of the audit process.
- w) The Committee shall also:
- review any representation letter(s) requested by the external auditor before they are signed by management;
 - review the management letter and management's response to the auditor's findings and recommendations; and
 - develop and implement policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

WHISTLEBLOWING AND FRAUD

The Committee shall:

18. Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
19. Review the Company's procedures for detecting fraud.
20. Review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance.
21. For clarification, the Board's Corporate Social Responsibility Committee shall be responsible for receiving and reviewing regular reports from the Money Laundering Reporting Officer and Compliance Officers and overseeing the adequacy and effectiveness of the Company's anti-money laundering and compliance systems and controls.

REPORTING PROCEDURES

22. The Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee and to all other members of the Board.
23. The Committee Chair shall report to the Board on all meetings of the Committee.
24. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
25. The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if the external advice or open advertising has not been used. The report shall include a statement of the Board's policy on diversity and any associated information recommended by the UK Corporate Governance Code.
26. The Committee Chair shall attend the Annual General Meeting of the Company and shall be prepared to respond to any shareholder questions on the Committee's activities.
27. The Committee shall make these terms of reference available to shareholders of the Company.