



Bango plc

Audit & Risk Committee - Terms of Reference



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Audit & Risk Committee

Terms of Reference

1. CONSTITUTION

The audit and risk committee (Committee) is a sub-committee of and authorized by the board of directors (Board) of Bango plc (Bango) under the Bango articles of association.

2. ROLE OF THE COMMITTEE

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring:

- 2.1. financial statements and corporate reporting;
- 2.2. risk management systems; and
- 2.3. the internal control environment.

3. DUTIES AND TERMS OF REFERENCE

The Committee shall (unless required otherwise by regulation) carry out the following duties for Bango and its subsidiaries (Group) as appropriate.

3.1. FINANCIAL REPORTING

3.1.1 The Committee shall monitor the integrity of the financial statements of the Group, including:

- 3.1.1.1 the annual and half-yearly reports; and
- 3.1.1.2 any other formal statements relating to its financial performance;

3.1.2 The Committee shall review significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain, having regard to matters communicated with the external auditor;

3.1.3 The Committee shall review and challenge where necessary:

- 3.1.3.1 the application and appropriateness of significant accounting policies,
- 3.1.3.2 any changes to significant accounting policies both on a year-on-year basis and across Bango and the Group, including the application of new accounting policies in interim accounts, and the plan to communicate those changes to shareholders and the market;
- 3.1.3.3 whether Bango has made appropriate estimates and judgements, taking into account the external auditor's views;
- 3.1.3.4 the clarity and completeness of financial reporting disclosures and any changes to those disclosures;
- 3.1.3.5 the methods used to account for significant or unusual transactions (including any off balance sheet arrangements);
- 3.1.3.6 significant adjustments resulting from the external audit;
- 3.1.3.7 the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to Bango'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), including the

robustness of stress-testing and scenario planning, and disclosures around such analysis; and

3.1.3.8 the legality of any proposed dividend and Bango's ability to pay it and remain a going concern;

3.1.4 The Committee shall monitor compliance with financial reporting standards and the AIM Rules and related guidance and other financial and governance reporting requirements; and

3.1.5 The Committee shall 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.

3.2. NARRATIVE REPORTING

The Committee, on behalf of the Board, is responsible for ensuring the integrity of the annual report and accounts and for ensuring that they portray a fair, balanced and understandable view of the performance, position and prospects of the company.

3.3. RISK MANAGEMENT

The Committee shall:

3.3.1 on behalf of the Board (which retains overall responsibility for risk management), review and monitor Bango's risk management systems and overall risk framework and processes and, at least annually, review their effectiveness;

3.3.2 consider the appropriate risk appetite for Bango across all major activities, taking into account the overall strategy of Bango, its future plans and other internal information, as well as the external environment;

3.3.3 ensure that risk management is properly considered in Board decisions; and

3.3.4 review the methodology for reporting risk to the Board, including both quantitative and qualitative measures.

3.4. INTERNAL CONTROLS

The Committee shall review Bango's internal financial controls and internal control systems and, at least annually, carry out a review of their effectiveness.

3.5. MANAGEMENT AND EXTERNAL AUDIT REPORTS

The Committee shall:

3.5.1 review the assurance reports from management on the effectiveness of the internal control and risk management systems and from the external auditor and others on the operational effectiveness of matters related to risk and control. The Committee should satisfy itself that these sources of assurance and information are sufficient and objective and are enough to enable the Board to satisfy itself that they are operating effectively; and

3.5.2 review the timeliness of, and reports on, the effectiveness of corrective action taken by management in response to any material audit recommendation.

3.6. REPORTING

The Committee shall:

3.6.1 review and approve the statements to be included in the annual report concerning internal controls and risk management; and

3.6.2 review the reporting of key risks in the annual report and accounts, ensuring it is consistent with the internal reporting of key risks.

3.7. INTERNAL AUDIT

Bango has no internal audit function. The Committee shall assess whether the processes applied by management to ensure that the internal controls systems are functioning as intended and provide sufficient and objective assurance. The Committee shall consider annually the need for an internal audit function and, if considered necessary, make any recommendation to the Board for such function.

3.8. EXTERNAL AUDIT

3.8.1 Appointment, reappointment and resignation

The Committee shall:

- 3.8.1.1 consider and make recommendations to the Board, to be put to shareholders for approval at Bango's AGM, on the appointment, reappointment or removal of Bango's external auditor;
- 3.8.1.2 ensure that at least once every ten years the audit services contract is considered and, if considered appropriate, put out to tender and, as appropriate, oversee any tender for the audit services contract 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, conduct such tender process and 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; and
- 3.8.1.3 if any external auditor resigns, investigate the issues leading to this and decide whether any action is required.

3.8.2 Terms of engagement and fees

The Committee shall oversee the relationship with the external auditor and review and approve their terms of engagement, including the scope of the audit and, in consultation with the executive directors, agree and approve their remuneration (including fees for both the audit and non-audit services) to ensure that the level of fees is appropriate to enable an effective and high quality audit to be undertaken.

3.8.3 Independence and expertise

The Committee shall review and assess on an annual basis:

- 3.8.3.1 the external auditor's independence and objectivity and the relationship with the auditor as a whole, including any threats to the auditor's independence and safeguards to mitigate those threats including the provision of any non-audit services; and
- 3.8.3.2 the qualifications, expertise and resources of the external auditor and the effectiveness of the external audit process.

3.8.4 Non-audit services

The Committee shall:

- 3.8.4.1 develop and recommend to the Board, implement, and keep under review, Bango's formal policy on the external auditor's provision of non-audit services; and
- 3.8.4.2 ensure that the provision of the non-audit services does not impair the external auditor's independence or objectivity, satisfying itself that there are no relationships between the auditor and Bango outside the ordinary course of business (including the level of non-audit fees) that could adversely affect the auditor's independence and objectivity, or the audit process.

3.8.5 Audit cycle

The Committee shall:

- 3.8.5.1 review and approve the annual audit plan at the start of the audit cycle and ensure it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- 3.8.5.2 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 the executive directors or management being present, to review and discuss the auditor's remit and the findings of the audit including any major resolved or unresolved issues that arose during the audit, the auditor's explanation of how risks to audit quality were addressed, key accounting and audit judgements, the auditor's view of their interactions with senior management and levels of errors identified during the audit;
- 3.8.5.3 consider communications from the external auditor on audit planning and findings on all weaknesses in accounting and internal control systems that come to the auditor's attention, including a review of material items of correspondence between Bango and the external auditor, and discuss with the executive directors any consequent action required;
- 3.8.5.4 review any representation letter(s) requested by the external auditor before they are signed by management and consider whether, based on its knowledge, the information provided is complete and appropriate;
- 3.8.5.5 review, before its consideration by the Board, the external auditor's report to the directors and their management letter, including management's response to the auditor's findings and recommendations; and
- 3.8.5.6 at the end of the audit cycle, assess the effectiveness of the audit process.

3.9. WHISTLEBLOWING

The Committee shall review the effectiveness, adequacy and security of Bango's arrangements for its workforce 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.

3.10. FRAUD

The Committee shall review annually Bango's procedures for detecting fraud.

3.11. ENGAGEMENT WITH SHAREHOLDERS

The Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

4. MEMBERSHIP

- 4.1. The Committee must have at least two members, all of whom must be independent non-executive directors. Provided they are an independent non-executive director, the Chair of the Board may also serve on the Committee as an additional member.
- 4.2. At least one member of the Committee shall have recent and relevant experience working with financial and accounting matters.
- 4.3. The Board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee Chair.
- 4.4. The Chair of the Board shall not chair the Committee.

- 4.5. The Board shall appoint the Chair of the Committee. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 4.6. The company secretary, or their nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

5. **VOTING ARRANGEMENTS**

- 5.1. Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or by audio or video conference).
- 5.2. Each member of the Committee shall disclose to the Committee:
 - 5.2.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
 - 5.2.2 any potential conflict of interest.
- 5.3. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 5.4. Except where they have a personal interest, the Committee Chair shall have a casting vote.

6. **ATTENDANCE AT MEETINGS**

- 6.1. The Committee shall meet at least three times a year at appropriate times in Bango's financial reporting and audit cycle.
- 6.2. Outside of the formal meeting programme, the Committee Chair (and to a lesser extent, other Committee members) shall maintain a dialogue with key individuals involved in Bango's governance, including the Board Chair, the CEO, the CFO, the head of risk and the external audit lead partner.
- 6.3. Only Committee members have the right to attend and vote at Committee meetings. However, the CFO, external audit lead partner and other non-members may be invited to attend all or part of any meetings as and when appropriate.
- 6.4. The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.5. Meetings of the Committee may be conducted when the members are physically present together or in the form of video or audio conference.

7. **NOTICE OF MEETINGS**

- 7.1. Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members, the CFO, the head of risk or the external audit lead partner.
- 7.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee Chair.
- 7.3. Notices, agendas and supporting papers may be sent in electronic form.

8. **QUORUM**

The quorum necessary for the transaction of business at a Committee meeting shall be any two members (including, whenever possible, at least one member with recent and relevant financial experience), present in

person or by audio or video conference. If there is difficulty in achieving a quorum, independent non-executive directors, who are not members of the Committee, may be co-opted as members for individual meetings.

9. **AUTHORITY**

9.1. The Committee is authorized by the Board:

9.1.1 to examine any activity within its terms of reference;

9.1.2 to seek any information it requires from any employee or director of Bango, and all such employees or directors will be directed to co-operate with any request made by the Committee;

9.1.3 to have unrestricted access to Bango's documents and information, and to obtain, at Bango's expense, independent legal or professional advice on any matter within its terms of reference as it considers necessary;

9.1.4 to secure the attendance of external advisers at its meetings if it considers this necessary, at Bango's expense; and

9.1.5 collectively and individually to have direct access to the CFO, Bango risk function and Bango's external auditors.

9.2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

10. **MINUTES OF MEETINGS**

10.1. The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance, shall be minuted by the secretary of the meeting.

10.2. Draft minutes of each meeting shall be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting shall be circulated to all other members of the Board unless, in the opinion of the Committee Chair, it would be inappropriate to do so.

10.3. The Committee Chair shall report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.

11. **REPORTING RESPONSIBILITIES**

The Committee shall:

11.1. Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the Board papers for a subsequent Board meeting.

11.2. Prepare a formal report on its activities and how the Committee has discharged its responsibilities to be included in Bango's annual report, which shall include:

11.2.1 details of the membership of the Committee, number of meetings held and attendance over the course of the year;

11.2.2 a summary of the role and work of the Committee;

11.2.3 the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the external auditor;

11.2.4 an explanation of its assessment of the independence and effectiveness of the external audit process (including the provision of non-audit services and an explanation of how, if the auditors provide non-audit services to Bango and the Group, auditor objectivity and independence is safeguarded) and its approach taken to the appointment or reappointment of the external auditor and the amount of fees paid to the auditor for any of its services;

11.2.5 an explanation of how internal assurance is achieved and how this affects the work of external audit; and

11.2.6 all other information requirements set out in the QCA Corporate Governance Code.

11.3. In compiling the report referred to in Paragraph 11.2, exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but include at least those matters that have informed the Board's assessment of whether Bango is a going concern.

12. GENERAL MATTERS

12.1. The Committee Chair shall attend the annual general meeting to answer shareholder questions on the Committee's activities and areas of responsibility.

12.2. The Committee shall have access to sufficient resources to carry out its duties, including access to the company secretary for assistance as required.

12.3. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

12.4. The Committee shall give due consideration to all applicable laws and regulations, in particular the directors' duties contained in the Companies Act 2006, the QCA Corporate Governance Code and the requirements of the London Stock Exchange's rules for AIM companies, as appropriate.

12.5. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12.6. The Committee shall work and liaise as necessary with all other Board committees.

12.7. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12.8. The Committee shall make available to shareholders these terms of reference by placing them on Bango's website.

Adopted on the Board meeting of Bango on 20 September 2024

Date of approval by Bango plc Board	Date of next review
20 September 2024	September 2025