



CONVATEC GROUP PLC

AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE

Approved by the Board on 10 December 2025

1. PURPOSE

- 1.1. The Audit and Risk Committee (the Committee) was constituted as a committee of the Board of directors (the Board) of Convatec Group Plc (the Company) on 12 October 2016, in accordance with the articles of association of the Company. These terms of reference, which set out the Committee's purpose and responsibilities, replace any previous terms of reference for the Committee.
- 1.2. The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 1.3. The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Company Secretary, including, without limitation, the establishment of sub-committees which are to report back to the Committee.
- 1.4. The Committee will act independently of the executive to ensure that the interests of shareholders and other stakeholders are properly protected in relation to financial and non-financial reporting, risk management and internal controls, always within the principle of all directors having a duty to act in the interests of the Company and all directors remaining equally responsible for the Company's affairs.

2. ROLE

- 2.1. The role of the Committee is to assist the Board in fulfilling its oversight responsibility to shareholders and other stakeholders by reviewing and monitoring:
 - (a) the integrity of the financial and non-financial information (including sustainability information, being information on social, environmental and governance matters and related narrative statements and other information provided to shareholders;
 - (b) the effectiveness of the Company's material internal financial, operational, reporting and compliance control and risk management framework;
 - (c) the quality and effectiveness of the internal and external auditors and any sustainability assurer(s) and their respective processes and co-ordinating their activities; and
 - (d) the processes for compliance with laws, regulations and codes of practice, including the Company's policies and procedures relating to whistleblowing, the detection and investigation of fraud and bribery and applicable sustainability regulations.



3. DUTIES AND RESPONSIBILITIES

3.1 Financial and non-financial reporting

The Committee shall:

- 3.1.1 monitor the integrity of the Company's financial statements and financial and non-financial reporting

within its Annual Report and Accounts; its preliminary and interim results announcements; and any other formal announcements relating to its financial and non-financial performance. For the avoidance of doubt, the responsibility for reviewing and approving Trading Updates falls to the Board;


- 3.1.2 review and challenge significant financial and non-financial reporting issues, estimates and judgements contained within the statements set out in 3.1.1 above, having regard to the views of the external auditor and sustainability assurer and comparability to other companies in the industry sector, in particular:

- (a) the appropriateness and application of significant accounting policies, the quality and consistency of their application and any changes;
- (b) the clarity, completeness and context of financial and non-financial reporting disclosures;
- (c) the methods used to account for significant or unusual transactions;
- (d) the scenarios and assumptions supporting the appropriateness of the going concern statement and the longer-term viability statement; and
- (e) all material information presented in the Annual Report and Accounts, such as the strategic and corporate governance statements, and the other statements listed in 3.1.1 above, relating to financial and non-financial information, audit, risk or internal controls;

- 3.1.3 monitor compliance with financial and non-financial reporting and governance standards and regulations, including the 2018 (and, with effect from 1st January 2025, the 2024) UK Corporate Governance Code (the Code) and, where applicable and appropriate, the 2024 Code Guidance, recognising that certain clauses in the Code do not apply until the period beginning 1st January 2026;

- 3.1.4 assess the effectiveness of the Group's financial and non-financial reporting procedures;

- 3.1.5 review the content of the Annual Report and Accounts (the ARA) and all other external reporting and the chair of the Committee shall formally advise the Board on:

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- (a) the adequacy of the disclosures relating to the significant financial reporting issues, estimates and judgements made and non-financial matters noted in 3.1.2 to 3.1.4 above;
 - (b) whether, taken as a whole, the ARA and other statements (as detailed in 3.1.1 above) are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy;
 - (c) the appropriateness of the Board making statements in the ARA on those matters that the Board is required to report on under the Code, including, from 1st January 2026, the effectiveness of the Company's risk management and material internal controls framework at the balance sheet date and how the Board has monitored and reviewed the framework's effectiveness; and
 - (d) the Committee's views where it is not satisfied with any aspect of the Group's financial and non-financial reporting.

3.2 Sustainability reporting and assurance

The Committee is responsible for ensuring appropriate independent assurance is provided in respect of the relevant TCFD and other sustainability related metrics and targets as set by the Board and for oversight of the adequacy and integrity of the disclosures in the Responsible Business report (within the ARA), including the TCFD statement, as well as for ensuring the Responsible Business report is compliant with all evolving sustainability-related regulations.

The Committee shall be responsible for the selection process of the sustainability assurance partner (the "assurer") and this selection process should mirror that of the external auditor.

The Committee shall, on an annual basis, review and assess the assurer's independence, objectivity and effectiveness. The Committee shall be responsible for overseeing the assurer's work: regularly seeking information from the assurer on their assurance strategy; on the execution of the assurance process and any other matters related to it, in particular any errors, discrepancies or risks identified.

3.3 Internal audit

The Committee shall:

- 3.3.1 review and approve the role, remit, budget and mandate of the Group's internal audit function and assess its independence and objectivity;
- 3.3.2 determine whether it is satisfied that the quality, experience and expertise of the internal audit function are appropriate for the business;
- 3.3.3 monitor and review the role and effectiveness of the work of the internal audit function in the context of the Company's overall internal controls and risk management



framework and the work of the Company's risk, compliance and finance functions and the external auditor, with open communication between these functions;


- 3.3.4 review and approve the annual internal audit plan, ensuring that it is appropriate for the Company's current needs and aligned to key business's risks, and be advised of reasons for any change or delay in delivery of the plan;
- 3.3.5 approve the appointment and removal of the head of the internal audit function, who has the right of direct access to the chair of the Board and the chair of the Committee and is accountable to the Committee;
- 3.3.6 ensure that the internal audit function has appropriate standing within the Company, free from management or other restrictions, including unrestricted scope, the necessary resources and access to information to enable it to perform its responsibilities effectively and fulfil its mandate in accordance with the relevant professional standards;
- 3.3.7 receive a summary report on the results of the internal auditor's work on a regular basis throughout the year with an annual overview of key themes emerging from the work undertaken during the year, and have access to full reports as the Committee considers appropriate;
- 3.3.8 review and monitor management's responsiveness to the findings and recommendations of the internal auditor;
- 3.3.9 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 carried out; and
- 3.3.10 ensure that an independent, third-party review of internal audit effectiveness and processes is undertaken at least once every five years, with an internal review of effectiveness undertaken annually.

3.4 External audit

The Committee shall oversee the relationship with the external auditor, in accordance with the requirements of the Code and the Audit Committees and External Audit: Minimum Standard (the Audit Standard). In providing this oversight, the Committee is responsible for (but not limited to):

3.4.1 *Appointment*

- (a) considering and making recommendations to the Board, to be put to shareholders for approval at the Company's Annual General Meeting (the AGM), in relation to the appointment, re-appointment, resignation or removal of the Company's external auditor; and

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- (b) in compliance with the Company's relevant policy and the Audit Standard, lead the selection process for the appointment of external auditor and investigate the issues leading to any resignation of an auditor, deciding if any action is required;

3.4.2 *Engagement, plan and fees*

approval of the terms of engagement, the scope of the audit, the annual external audit plan (see 3.4.4 below) and the auditor's remuneration (including fees for the audit and closely related non-audit services undertaken in accordance with the Company's policy on non-audit service provision by the external auditor and related regulatory requirements), ensuring that the level of fees is appropriate to enable an effective and high quality audit to be undertaken;

3.4.3 *Independence, expertise and effectiveness*

- (a) reviewing and assessing on a continual basis, the external auditor's independence, objectivity and effectiveness, taking into account relevant professional and regulatory requirements and the Group's relationship with the auditor as a whole, including the provision of any permitted non-audit services;
- (b) reviewing on an annual basis:
 - (i) the quality and effectiveness of the audit process, taking into consideration: delivery of the agreed audit plan and past recommendations; the auditor's mind-set and culture; skills, character and knowledge; quality control; and handling of key judgements as well as responses to questions from the Committee;
 - (ii) a report from the external auditor on their firm's internal quality procedures and steps taken to respond to changes in regulatory and other requirements;
 - (iii) evidence (including reassurance from the auditor) of the auditor having no relationships with the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity. This should include monitoring the external audit firm's policies and processes for maintaining independence and its compliance on applicable matters (such as rotation of lead audit partner, level of fees from the Company compared to the audit firm's overall fee income) with the relevant UK law, regulation and other professional requirements and ethical standards; and
 - (iv) compliance with the Company's policy on the employment of former employees of the auditor, taking account of relevant ethical standards and legal requirements.



3.4.4 *Audit cycle*

- (a) reviewing and approving the annual audit plan and ensuring it is consistent with the approved scope of the audit engagement, having regard to resources and the seniority, expertise and experience of the audit team and factors that could affect the audit quality;
- (b) meeting regularly with the external auditor throughout the audit cycle. At least once a year, the Committee will meet with the auditor without the executive directors or management being present, to discuss the auditor's remit and any issues arising from the audit. These meetings include a discussion of any major audit issues; key accounting or audit judgements; how risks to audit quality were addressed; identified material control, risk management or accounting weaknesses; level of errors identified during the audit; and the auditor's views on their interaction with management;
- (c) reviewing and approving the representation letter(s) requested by the external auditor prior to signature by management; and
- (d) reviewing, before 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.

3.4.5 *Non-audit services*


- (a) annually reviewing and approving the Company's policy on the external auditor's provision of non-audit services, whereby such non-audit services must be closely related to audit and comply with ethical guidance and legal and regulatory requirements; and
- (b) managing non-audit relationships with audit firms to ensure that there is a fair choice of suitable external auditor participants in the next audit tender (which must be undertaken in compliance with the relevant requirements of the Code and the Audit Standard).

3.5 Internal control and risk management framework

3.5.1 *Code requirements*

The Committee shall on behalf of the Board (which retains overall responsibility for internal controls and risk management):

- (a) review and monitor (in accordance with the Code's transition requirements prior to 1st January 2026) the effectiveness of the Company's plans to ensure a robust framework (including systems, processes and policies) is established to identify, assess, manage and monitor the Company's material internal controls (including material financial, operational, compliance and reporting controls) and risk management processes, to enable the Committee to recommend to the Board the declaration on the effectiveness of the risk management and internal



control framework to be included in the ARA (in compliance with the Code requirements);

- (b) identify and review with management during 2024 and 2025, and then recommend to the Board, those internal controls that should be regarded as 'material controls', being those controls most material to the long-term sustainability of the Company;
- (c) review and recommend to the Board for approval the declaration to be included in the ARA relating to the risk management and internal controls framework, recognising that post 1st January 2026 this declaration must provide a description of how the Board has monitored and reviewed the effectiveness of the framework; a declaration of effectiveness of the material controls at the balance sheet date; and a description of any material controls not operating effectively at the balance sheet date, actions taken or proposed to improve the weaknesses and actions taken during the year to address previously reported issues. Prior to 1st January 2026, the Committee's focus will be on ensuring management has in place an appropriate programme of enhancement to allow the Board to provide the currently required Code declaration and be able to comply with the Code requirements post 1st January 2026 (as noted in paragraph 3.5.1(a) above;
- (d) review and recommend to the Board for approval other relevant statements and disclosures to be included in the ARA and other statements listed in 3.1.1 above relating to principal and emerging risks, risk management, going concern and the viability statement.

3.5.2 *Risk management*

The Committee shall

- (a) assist the Board to establish and articulate the Company's overall risk appetite and tolerance, taking account of the Company's risk profile and exposure to the current and prospective macroeconomic, climatic and financial environment, and the Company's strategic objectives;
- (b) monitor the effectiveness of the policies, procedures and processes for identifying and assessing new, emerging and existing business risks (including those risks that would threaten achieving the strategic objectives the Company's business model, future performance, solvency or liquidity and reputation) and managing and mitigating their impact on the Company, including by:
 - periodically undertaking in-depth reviews of high-risk business areas or processes to understand key drivers, mitigation activity and further management actions, ensuring they are being effectively managed and remain within the Company's risk tolerance and appetite parameters;

- receiving and reviewing reports from management regarding the processes adopted for identifying and managing principal and emerging risks and any material breaches of risk tolerance and appetite limits and the adequacy of proposed actions. The Committee will also consider reports from internal and external auditors on the operational effectiveness of matters related to risk management; and
- at least annually, reviewing the effectiveness of the risk management function (and considering and approving the remit of the risk management function, ensuring it is adequately resourced, has appropriate standing within the Company, the risk management process is appropriately embedded in the business and effectively operated, and has appropriate access to information to enable it to perform effectively.

3.5.3 *Internal controls*

Throughout the year, and (from 1st January 2026) specifically at the balance sheet date, the Committee will carry out a review of the effectiveness of the Group's material internal controls, including receiving and reviewing reports from management, internal audit and external audit on the effectiveness, and nature of testing and supporting assurance, of the Group's controls framework, including the effectiveness of corrective action taken by management in response to any material external or internal audit recommendations.

3.6 Whistleblowing, fraud, bribery and other compliance matters

- 3.6.1 Review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible breaches of the Company's Code of Ethics and Conduct, wrongdoing in financial reporting or other matters, with the aim of ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
- 3.6.2 Review, at least annually, the Group's codes, policies, procedures, systems and controls for:
 - (a) preventing, detecting and investigating fraud;
 - (b) preventing and investigating allegations of bribery, corruption and modern slavery; and
 - (c) ensuring the Company complies with its Code of Ethics and Conduct and with relevant regulatory and legal requirements.
- 3.6.3 Receive reports on any fraud, bribery, modern slavery or non-compliance investigations or allegations and consider if any further appropriate action is required.
- 3.6.4 Review regular reports from the Ethics and Compliance Officer on the Group-wide compliance programme and assess the adequacy and effectiveness of the Company's compliance function.



3.7 Policy and oversight of other matters

The Committee shall

3.7.1 at least annually, review:

- (a) the Convatec delegated authority policy and structure;
- (b) the Group's treasury policies (and recommend any material changes to the Board for approval) and receive regular reports from the Group treasurer on the activities of the treasury function, the status of all treasury instruments, the indebtedness of the Group and its compliance with covenants within its debt instruments;
- (c) the Group's global tax strategy, the Group's Tax Statement prepared and approved in accordance with the requirements of Finance Act 2016 Schedule 19, paragraph 16(2) and the status of tax audits and investigations;
- (d) the insurance position of the Group, including its general insurance arrangements to protect against the financial implications of principal risks, where possible, and assess the adequacy of these arrangements. This excludes the Group's Directors and Officers Insurance arrangements which are to be reviewed by the Board; and
- (e) the pension risk management activities; and

3.7.2 oversee any investigation which is within its terms of reference and recommend action to the Board when necessary. It will also undertake any other projects as requested by the Board.

4. **COMPOSITION AND QUORUM**

- 4.1. The Committee must have at least three members (including the chair of the Committee). All must be independent Non-Executive Directors and appointed by the Board on the recommendation of the Nomination Committee, in consultation with the Committee chair. The Chair of the Board may not be a member of the Committee.
- 4.2. At least one member of the Committee must have recent and relevant financial experience, with competence in accounting and/or auditing, and the Committee as a whole should have competence relevant to the sector in which the Company operates.
- 4.3. 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.
- 4.4. The Board appoints the chair of the Committee. In the absence of the Committee chair, the remaining members present may elect one member to chair the meeting.



- 4.5. A duly convened meeting of the Committee at which a quorum is present (being two members of the Committee) is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 4.6. The Company Secretary or their nominee shall act as the Secretary of the Committee.
- 4.7. Only members of the Committee have the right to attend Committee meetings. The Committee may invite others to attend all or part of any meeting, as appropriate or necessary. The Chair of the Board, Chief Executive Officer, Chief Financial Officer, head of internal audit, group controller and external audit lead partner will be invited to attend meetings of the Committee on a regular basis.

5. MEETING ADMINISTRATION

- 5.1. The Committee shall meet at least four times a year, at appropriate times in the financial reporting and audit cycle. Additional meetings may be called by the Committee chair or the secretary of the Committee, at the request of any of its members or at the request of the external or internal auditor.
- 5.2. The Committee may hold meetings in-person or by any method of electronic communication and may take decisions without a meeting by unanimous written or email consent, when deemed necessary or desirable by the Committee chair. A resolution in writing and signed or confirmed approval via email by all Committee members will be as effective as a resolution passed at a Committee meeting. Any such resolution shall be tabled and noted at the next meeting of the Committee.
- 5.3. Notice of each meeting must be sent by the Committee Secretary, with an agenda of the items to be discussed and any supporting papers, to each Committee member and any other person required to attend the meeting no later than five working days before the date of the meeting, enabling full and proper consideration to be given to the business of the meeting.
- 5.4. Outside the formal meeting programme, the Committee chair (and any other Committee member, should they wish) should maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, CEO, CFO, external audit lead partner and head of internal audit.
- 5.5. The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings. Draft minutes of Committee meetings shall be sent as soon as practicable to the Committee chair for initial review and then to all Committee members for approval at the next Committee meeting.
- 5.6. Conflicts of interest must be declared by Committee members before or at the beginning of meetings and the Committee Secretary shall record any such declaration in the minutes.



6. REPORTING

6.1 Board

6.1.1 The Committee Chair shall report formally to the Board on matters discussed at each Committee meeting and how it has discharged its responsibilities. In addition to reporting to the Board in respect of its responsibilities regarding the Annual Report and other statements listed in 3.1.1 above, the report should include:

- (a) its assessment of the effectiveness of the external audit process and its approach to and recommendation on the appointment or reappointment of the external auditor; and
- (b) its assessment, with supporting detail, of the effectiveness of the Group's material internal controls and risk management framework.

6.1.2 The Committee may make recommendations to the Board on areas within its remit where action or improvement is needed.

6.2 Annual Report (ARA)

6.2.1 The Committee shall prepare a report to shareholders on its activities to be included in the ARA. The report should include, inter alia: an explanation of how the Committee has discharged its responsibilities; the Committee membership, meetings held and performance evaluation; the significant issues that the Committee considered in relation to the financial statements and financial and non-financial disclosures and how these issues were addressed (including in respect of supporting the Board's assessment of the internal controls and risk management framework and all other information and disclosure requirements set out in the Code); and all matters required to be reported in respect of the external auditor, including conclusions on audit effectiveness.

6.2.2 The Committee shall publish, in the Company's ARA, details of any issues that have not been resolved between the Committee and the Board.

7. OTHER MATTERS

The Committee shall:

- 7.1 review its own performance, composition, and terms of reference at least once a year (with an externally facilitated review at least every third year) to ensure it is operating effectively and recommend to the Board any changes it considers necessary for approval;
- 7.2 be provided with appropriate and timely training, including an induction programme for new members and ongoing training in relevant and emerging topics for all members;



- 7.3 give due consideration to laws, regulations and any published guidelines or recommendations, including the provisions of the Code, as appropriate, as well as guidelines published by relevant institutional investors and representative bodies; and
- 7.4 liaise as necessary with all other Board committees, taking particular account of any delegation of the consideration of risk management and internal controls to different committees. In particular, when requested, provide advice to the Remuneration Committee on financial reporting matters and related judgements, non-financial information and risk management as they affect the performance assessment of executive directors and senior management.

8. AGM

- 8.1 The chair of the Committee shall attend the AGM to answer any shareholder questions on the Committee's activities.

9. AUTHORITY

- 9.1 The Board authorises the Committee to:
 - (a) carry out all duties set out in these Terms of Reference, have unrestricted access to the Company's documents and information and obtain, at the Company's expense, appropriate independent legal or professional advice on any matter as it considers necessary; and
 - (b) seek any information from any Group employee or contractor that it requires to perform its duties and call any Group employee or contractor to be questioned at a Committee meeting, as and when required.