



Terms of reference for the Audit Management Board

RSM UK Audit LLP

1. OBJECTIVE

The RSM UK Audit LLP Management Board (AMB) shall be responsible for the governance and management of the LLP, including the delivery of the objects set out in the RSM UK Audit LLP Members' Agreement, as follows:

- 1.1. to maintain an audit business authorised by such appropriate audit registration body as the AMB may from time to time determine;
- 1.2. to develop and maintain effective systems and procedures designed to provide reasonable assurance that the LLP and its personnel comply with professional, ethical and quality control standards, regulatory and legal requirements, and that audit reports issued by the LLP or its members are appropriate in the circumstances;
- 1.3. to promote audit quality in order to enhance confidence in UK corporate reporting and governance;
- 1.4. to consider any other activities, professions or ancillary services, as may be determined by the AMB, with the consent of the Corporate Member (RSM UK Group LLP), from time to time; and
- 1.5. to ensure that those persons carrying out audits on behalf of the LLP are appropriately trained.

2. MEMBERSHIP

The AMB shall be made up of the Head of Audit, not less than two other executive members and such non-executive members (if any) as appointed under the Members' Agreement. An executive member of the AMB shall be a member of the LLP. A non-executive member of the AMB shall not be a member of the LLP. The AMB shall, at all times, be comprised of a majority

of executive members (including the Head of Audit) and a majority of audit qualified individuals. Members of the Audit Oversight Board (AOB) shall not be members of the AMB.

The Head of Audit shall be appointed by the CEO of RSM UK Holdings Limited following consultation with the AOB and may be removed by the firm's Corporate Member, following consultation with the AOB. Additionally, the AOB has an express right to recommend removal of the Head of Audit where it considers such removal is in the public interest.

The Head of Audit shall appoint and remove members with the prior approval of the Corporate Member and following consultation with the AOB.

3. MEETINGS

The AMB shall meet monthly, or more frequently if required. Meetings may take place in person or via remote attendance. The Head of Audit will chair the meetings of the AMB.

Meetings of the AMB will be considered quorate when at least three members are in attendance, including at least one member of the Quality and Risk Committee.

Where approval of matters is necessary, the majority of the AMB is required.

The Audit Operations Senior Manager shall be invited to attend meetings of the AMB and shall be responsible for convening meetings, preparing the agenda with the Head of Audit and ensuring that all papers are circulated in advance and actions arising from the meetings are documented and shared as appropriate.

4. MATTERS RESERVED FOR THE AMB

The AMB shall, at all times, work to ensure the delivery of the objectives of the LLP and its responsibilities include:

- 4.1. approving the audit strategy and plan;
- 4.2. approving the audit budget;
- 4.3. promoting a culture of audit quality and ethical behaviour, in support of the public interest;
- 4.4. approving senior appointments in the audit service line;
- 4.5. approving the resourcing strategy and plan, including people recruitment, development and promotion to meet the objectives of the LLP;
- 4.6. reviewing and ensuring robust application of the firm's client acceptance and reacceptance policies;
- 4.7. receiving and considering reports from external regulators;
- 4.8. receiving and considering reports from the RSM Quality Assurance Department;
- 4.9. receiving and considering reports from the RSM risk and legal teams;
- 4.10. overseeing the work and receiving reports from both National Audit Technical Services and Audit Quality Department and approving proposed actions;
- 4.11. receiving and considering reports and proposals from the Quality and Risk Committee (a sub-committee of the AMB);
- 4.12. approving internal authorisations for responsible individuals and managers;
- 4.13. receiving and considering reports on responsible individuals in mentoring and supportive coaching;
- 4.14. receiving and considering reports from the firm's Ethics Partner and ethics team;
- 4.15. reviewing financial results of the audit service line; and
- 4.16. considering and proposing remuneration of audit partners, in consultation with the AOB, and the firm's Remuneration Committee, for submission to the RSM UK National Leadership Team.

5. ANNUAL REVIEW AND EFFECTIVENESS

The CEO of RSM UK Holdings Ltd shall be responsible for the annual appraisal of the Head of Audit. The Head of Audit shall be responsible for the annual appraisal of other members of the AMB. Members of AMB have specific objectives linked to the system of quality management and as part of their annual appraisal, their performance in role is assessed and their reselection considered.

The AMB will review: i) its effectiveness in achieving its objectives, and ii) its terms of reference in consultation with the AOB, on at least an annual basis.

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Approved by the Management Board of RSM UK Audit LLP July 2024

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