Private Infrastructure Development Group

Audit Committee Terms of Reference

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1. CONSTITUTION

1.1 The Audit Committee (**Committee**) was constituted as a committee of the board of directors (**Board**) of The Private Infrastructure Development Group Holding Company Limited (**Company**) at a full meeting of the Board held on 24 September 2026 in accordance with the articles of association of the Company.

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, save that nothing in these terms of reference authorises the Committee to exercise any power reserved to the Board under the Company's Matters Reserved for the Board. In the event of any conflict between these terms of reference and the Company's Matters Reserved for the Board, the latter shall prevail and the conflict shall be referred to the Board for resolution.

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, including, without limitation, the establishment of sub-committees which are to report back to the Committee, save that any sub-delegation of a substantive audit related-oversight duty shall be notified to the Board and the Committee shall remain accountable to the Board for any matter so delegated.

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

- the integrity of the financial and narrative statements and other financial information provided to Owner-Members;
- the internal and external audit process and auditors; and
- the processes for compliance with laws, regulations, ethical codes of practice, the UK Corporate Governance Code (**Code**), FRC guidance and the FRC Audit Committees and the External Audit: Minimum Standard (FRC Minimum Standard).

2. MEMBERSHIP

2.1 The Committee shall comprise at least three members. At least one member shall have recent and relevant financial experience and the Committee as a whole shall have competence relevant to the sector in which the Company operates. Each Committee member shall be an independent non-executive director as determined by the Board (in accordance with the principles of the Code).

2.2 A member of the Risk Committee shall serve as a member of the Committee.

2.3 The Board shall appoint members of the Committee on the recommendation of the Nomination, Governance and Remuneration Committee (**NGRC**), in consultation with the chair of the Committee.

2.4 Appointments to the Committee shall be for a period of up to three years, which may be extended for up to two additional three-year periods, so long as members continue to be independent and satisfy the criteria for membership of the Committee.

2.5 The Board shall appoint the Committee chair from among the independent non-executive directors. 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.

2.6 The chair of the Board shall not be a member of the Committee but may be invited to attend its meetings.

2.7 The Committee chair shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

2.8 The company secretary, or their nominee, shall act as secretary of the Committee and provide all necessary support to the Committee, including recording Committee minutes and ensuring the Committee receives information and papers in a timely manner to enable full and proper consideration of relevant issues.

3. MEETINGS

Frequency and dialogue

3.1 The Committee shall meet at least four times a year, including at an appropriate time in the Company's financial reporting and audit cycle, and otherwise as required.

3.2 Outside the formal meeting schedule, the Committee chair (and to a lesser extent, other Committee members) shall maintain a dialogue with key individuals involved in the Company's governance, including the Board chair, PIDG CEO, PIDG CFO, PIDG Global GC, the external audit lead partner and Group Head of internal audit.

Notice of meetings

3.3 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair or any of its members, or at the request of the PIDG CFO, or external audit lead partner or Group Head of Internal Audit if they consider it necessary.

3.4 Unless the Committee otherwise agrees, notice of each meeting confirming the venue, time and date, together with an agenda, shall be forwarded to each Committee member and any other person required to attend no later than five working days before the meeting. Supporting papers shall be sent at the same time but may be forwarded at shorter notice with the Committee chair's approval.

Attendance

3.5 Only Committee members have the right to attend and vote at Committee meetings. However, the PIDG Chair, PIDG CEO, PIDG COS and Global Head of Communications, PIDG CFO, PIDG CRO, PIDG Global GC, PIDG Global Head IA, and external advisers shall be invited to attend meetings of the Committee. Other non-members may be invited to attend all or part of any Committee meeting as and when appropriate and with the Committee chair's agreement. The Committee chair shall have discretion to decide who, other than Committee members, shall attend and address Committee meetings.

3.6 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of an actual or perceived conflicts of interest and minute them accordingly.

3.7 If the Committee chair decides in consultation with the other members (if necessary) that a member has an actual or perceived conflict of interest, the Committee chair may determine that the member absent themselves from a particular committee business and/or that a recommendation should be made to the Board that such member be removed as a member. Any decision of the chair (and/or of the Board) shall be final and binding.

3.8 Any Committee member with a standing or recurring conflict shall notify the Committee chair and the company secretary on appointment and thereafter as conflicts arise.

3.9 Meetings of the Committee may be conducted with members physically present together or by video or audio conference.

Quorum

3.10 The quorum for the transaction of business at a Committee meeting shall be three members present in person or by audio or video conference.

3.11 A duly convened Committee meeting 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.

Voting arrangements

3.12 Subject to paragraph 3.13 and 3.14, each Committee member shall have one vote, which may be cast on matters considered at the meeting. Votes may only be cast by members attending a committee meeting (in person or by audio or video conference).

3.13 A Committee member with a direct or indirect personal interest in a matter shall not be permitted to vote on that matter.

3.14 In any circumstance that majority agreement of any issue or matter cannot be reached then the matter will be referred to the Board.

3.15 The Committee chair may ask any attendee to leave the meeting to allow discussion of matters relating to them.

4. MINUTES

4.1 The company secretary (or their nominee) shall minute the proceedings and decisions of all Committee meetings, including the names of those present and in attendance.

4.2 Draft minutes shall be agreed with the Committee chair and circulated promptly to all Committee members, unless the Committee chair considers it inappropriate to do so. Once approved, minutes shall be made available to all other Board members unless, exceptionally, the Committee chair considers it inappropriate to do so.

4.3 A resolution in writing signed by all Committee members shall be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next Committee meeting.

5. DUTIES AND RESPONSIBILITIES

The Committee shall have oversight of the group as a whole and (unless required otherwise by regulation) carry out the following duties for the Company and its subsidiaries (**Group**) and advise the Board appropriately:

5.1 ***Financial reporting***

5.1.2 The Committee shall 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 its financial performance, and review and report to the Board on significant financial reporting issues and judgements contained in those statements, including matters raised by PIDG Executives and the external auditor, and satisfy itself that those matters have been appropriately addressed.

5.1.3 In particular, the Committee shall review and challenge where necessary:

- the application of significant accounting policies and any changes to them;
- the methods used to account for significant or unusual transactions where different approaches are possible;
- whether the Group has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements; and
- all material information presented with the financial statements, including (where relevant) the strategic report and the corporate governance statements relating to audit and risk management and internal controls.

5.1.4 The Committee shall review any other statements requiring Board approval which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation.

5.1.5 Where the Committee is not satisfied with any aspect of the proposed financial reporting by any entity within the PIDG Group, it shall report its views to the board of that entity and / or the PIDG Board as appropriate.

5.2 Impact Reporting

5.2.1 The Committee shall monitor the integrity of the Group's sustainable development impact reporting including both quantitative and qualitative information to be provided to the Board, Owner-Members and other stakeholders. This includes information contained in quarterly reports, narrative in business plans and KPIs and PIDG's external reporting documents including the annual report, annual review, Task Force on Climate-related Financial Disclosures and IFRS S1 and S2 reports.

5.2.2 In particular, the Committee shall review and challenge where necessary:

- the impact monitoring and evaluation, policies and processes and any changes to them;
- whether the PIDG Group has made appropriate estimates and judgements taking into account any external evaluator's views on the sustainable development impact reporting; and
- all material information provided with the sustainable development impact reports.

5.3 Narrative reporting

5.3.1 Where requested by the Board, the Committee should review the content of the annual report and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for PIDG donors and the PIDG Trust to assess the Group's position and 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 Code.

5.4 Internal controls and risk management systems

The Committee shall:

5.4.1 Keep under review the Group's internal financial control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.

5.4.2 Review and recommend for approval the statements to be included in the annual report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement.

5.4.3 Monitor compliance with filings of the statutory accounts, tax returns and other statutory filings of the Group.

5.4.4 To the extent relevant to external reporting, keep under review the Group's processes for identifying, managing, monitoring and reporting on the development impact of all its projects and for PIDG as a whole.

5.5 Compliance, whistleblowing and fraud

The committee shall:

5.5.1 Review the adequacy and security of the PIDG Group'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.

5.5.2 Review the PIDG Group's procedures for detecting fraud.

5.5.3 Review the PIDG Group's systems and controls for the prevention of bribery and receive reports on non-compliance.

5.6 Internal Audit

The Committee shall:

5.6.1 Approve the appointment or termination of appointment of the head of internal audit.

5.6.2 Review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation.

5.6.3 Review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business and receive regular reports on work carried out.

5.6.4 Ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors.

5.6.5 Ensure the internal auditor has direct access to the Board chair and to the Committee chair, providing independence from the executive and accountability to the Committee.

5.6.6 Carry out an annual assessment of the effectiveness of the internal audit function and as part of this assessment.

5.6.7 Meet with the head of internal audit without the presence of management to discuss the effectiveness of the function.

5.6.8 Review and assess the annual internal audit work plan.

5.6.9 Receive a report on the results of the internal auditor's work.

5.6.10 Determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business.

5.6.11 Review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.

5.6.12 Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system and the work of compliance, finance and the external auditor.

5.6.13 Consider whether an independent, third-party review of processes is appropriate.

5.7 External audit

The Committee shall:

5.7.1 Consider and make recommendations to the Board in relation to the appointment, re- appointment and removal of the Group's external auditor.

5.7.2 Develop and oversee the selection procedure for the appointment of the external audit firm(s), ensuring that all tendering firms have access to all necessary information and individuals during the tendering process.

5.7.3 If the external auditors resign, investigate the issues leading to this and decide whether any action is required.

5.7.4 Advise the boards of PIDG companies in relation to the selection and appointment of external auditors.

5.7.5 Oversee the relationship with the external auditors.

5.7.6 In this context the Committee shall:

- approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and
- approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.

5.7.7 Assess annually the external auditors' independence and objectivity taking into account relevant law, regulation, the ethical standard and other professional requirements and the PIDG Group's relationship with the external auditors 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.

5.7.8 Satisfy itself that there are no relationships between the external auditors and the PIDG Group (other than in the ordinary course of business) which could adversely affect the external auditors' independence and objectivity.

5.7.9 Agree with the Board a policy on the employment of former employees of the Company's external auditors, taking into account the ethical standard and legal requirements, and monitor the application of this policy.

5.7.10 Monitor the external auditors' processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and the ethical standards, including the guidance on the rotation of audit partner and staff.

5.7.11 Monitor the level of fees paid by the Group to the external auditors 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, guidance and the ethical standard.

5.7.12 Assess annually the qualifications, expertise and resources, and independence of the external auditors and the effectiveness of the external audit process, which shall include a report from the external auditors on their own internal quality procedures.

5.7.13 Evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditors' communications with the Committee.

5.7.14 Develop and recommend to the Board the Group's formal policy on the provision of non-audit services by the external auditors, including approval of non-audit services by the committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements. The policy should include consideration of the following matters:

- threats to the independence and objectivity of the external auditors and any safeguards in place;
- the nature of the non-audit services;
- whether the external audit firm is the most suitable supplier of the non-audit service
- the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
- the criteria governing compensation.

5.7.15 Meet regularly with the external auditors (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditors without management being present, to discuss the auditors' remit and any issues arising from the audit.

5.7.16 Discuss with the external auditors the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.

5.7.17 Review the findings of the audit with the external auditors. This shall include but not be limited to, the following:

- a discussion of any major issues which arose during the audit;
- the auditor's explanation of how the 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.

5.7.18 Review any representation letter(s) requested by the external auditors before they are signed by management.

5.7.19 Review the management letter and management's response to the external auditors' findings and recommendations.

5.7.20 Review the effectiveness of the audit process, including an assessment of the quality of the external audit, the handling of key judgements by the external auditors, and the external auditors' response to questions from the Committee.

6. REPORTING AND DISCLOSURES

The Committee shall:

6.1 Report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities (including any matters on which the Board has requested the Committee's opinion or recommendation).

6.2 Prepare a formal report on its activities and how the Committee has discharged its responsibilities to be included in the Company's annual report (or equivalent Owner-Members reporting), which shall include: (i) details of Committee membership, meetings held and attendance; (ii) a summary of the role and work of the Committee; (iii) how the Committee's performance evaluation was conducted; (iv) the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed; (v) an explanation of how the Committee has assessed the independence and effectiveness of the external audit process; (vi) the approach taken to the appointment or reappointment of the external auditor; (vii) the information on the length of tenure of the current audit firm; (viii) when a tender was last conducted and advance notice of any retendering plans; (ix) an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services, having regard to matters communicated to it by the auditor and all other information requirements set out in the Code; (x) any other information requirements the Board has determined the Company will follow (whether under the Code, the Wates Principles or its own governance framework); and (xi) any other issues on which the Board has requested the Committee's opinion.

6.3 Make these terms of reference available by placing them on the Company's website (or Owner-Members portal, as applicable).

7. ENGAGEMENT WITH OWNER-MEMBERS

7.1 The Committee chair shall attend the Annual Owner-Members Meeting to answer any questions on the Committee's activities and areas of responsibility.

8. AUTHORITY

The Board authorises the Committee to:

8.1 Have unrestricted access to the Company's documents and information reasonably required to carry out its duties.

8.2 Seek any information it requires from any employee of the Group to perform its duties.

8.3 Call any employee of the Group to be questioned at a Committee meeting as and when required, and all employees are directed to co-operate with any request made by the Committee.

8.4 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense.

8.5 Delegate any matter or matters to another committee or person(s) as it deems appropriate, save that any sub-delegation of a substantive audit-oversight duty shall be notified to the Board, and the Committee shall remain accountable to the Board for any matter so delegated.

8.6 Where a disagreement arises between the Committee and the PIDG Board, sufficient time shall be allowed for the matter to be discussed with a view to reaching a resolution. Where the disagreement cannot be resolved, the chair of the Committee may, where appropriate, request that the nature of the disagreement and the Committee's position be formally recorded in the PIDG Board minutes. Any further reporting or public disclosures shall be considered in accordance with applicable legal, regulatory, and governance requirements.

8.7 Collectively and individually have direct access to the PIDG CFO, the head of internal audit and the Company's external auditors.

9. GENERAL MATTERS

The Committee shall:

9.1 Consider other duties determined by the Board from time to time.

9.2 Oversee any investigation of activities within its terms of reference.

9.3 Have access to sufficient resources to carry out its duties, including access to the company secretary for assistance and advice as required.

9.4 Be provided with appropriate funding to obtain advice and assistance from internal or external legal, accounting or other advisers, at the Company's expense, without the prior approval of the Board, up to a maximum cost of £10,000 per engagement; any engagement expected to exceed this threshold shall require the prior approval of the Board chair or the Board.

9.5 Be provided with appropriate and timely training, in the form of an induction programme for new members and on an ongoing basis for all members. Individual training needs shall be discussed and agreed with the company secretary.

9.6 Give due consideration to all applicable laws and regulations, in particular the directors' duties contained in the Companies Act 2006 (including the duty under section 172 to promote the success of the Company having regard to the interests of stakeholders), any applicable corporate governance statement obligations under the Companies (Miscellaneous Reporting) Regulations 2018, and the provisions of the Code, the FRC Minimum Standard and/or the Wates Corporate Governance Principles for Large Private Companies, to the extent adopted by the Board as the Company's chosen governance framework.

9.7 Work and liaise as necessary with all other Board Committees, taking particular account of any delegation of the impact of risk management and internal control to different committees, and ensure that interaction between committees and between the Committee and the Board is reviewed regularly.

9.8 Arrange for annual review of its own effectiveness and performance (which may be incorporated into a wider Board and committee evaluation), including externally facilitated evaluation at appropriate intervals, and, at least annually, review these terms of reference and recommend any changes to the Board for approval.