

Audit, Finance and Risk Committee Terms of Reference

1. CONSTITUTION

The Audit and Risk Committee (the “**Committee**”) was constituted at a meeting of the Board of Directors (the “**Board**”) held on 22 April 2022 in accordance with the articles of association of BenevolentAI (R.C.S. Luxembourg: B255412) (the “**Company**”). The Committee’s remit was expanded to cover oversight of the budget during the Board meeting on 21 June 2022, with the name changed to reflect the addition responsibility to the Audit, Finance and Risk Committee.

2. DUTIES AND TERMS OF REFERENCE

PART A - AUDIT

2.1 In accordance with the Luxembourg law of 23 July 2016 concerning the audit profession, as amended (the “**Audit Law**”), the Committee should carry out the duties below for the Company and its subsidiaries as a whole, as appropriate:

- (a) inform the Board of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the Committee was in that process;
- (b) monitor the financial reporting drawing-up process and submit recommendations or proposals to ensure its integrity;
- (c) monitor the effectiveness of the Company’s internal control and enterprise risk management systems regarding the financial reporting of the Company, including reviewing publications and disclosures of all financial results, without breaching its independence;
- (d) monitor the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the Commission de Surveillance du Secteur Financier pursuant to Article 26(6) of Regulation (EU) No 537/2014;
- (e) review and monitor the independence of the *cabinet de révision agréé* (approved audit firm) in accordance with Articles 19 to 25 of the Audit Law and Article 6 of Regulation (EU) No 537/2014, in particular the appropriateness of the provision of non-audit services to the Company in accordance with Article 5 of that regulation;
- (f) develop, oversee and be responsible for the procedure for the selection of *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) or *cabinet(s) de révision agréé(s)* (approved audit firm(s)) or, where appropriate, *cabinet(s) d’audit* (audit firm(s)) and recommend the *réviseur(s) d’entreprises agréé(s)* (approved statutory auditor(s)) or *cabinet(s) de révision agréé(s)* (approved audit firm(s)) or, where appropriate, *cabinet(s) d’audit* (audit firm(s)) to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014 except when Article 16(8) of that regulation is applied.

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

- (a) the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Company and its subsidiaries;

- (b) the methods used to account for significant or unusual transactions where different approaches are possible;
 - (c) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
 - (d) significant adjustments resulting from the external audit;
 - (e) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
 - (f) all material information presented with the financial statements, such as the strategic report and any corporate governance statement (insofar as it relates to the audit, internal control, enterprise risk management, sustainability and ESG reporting); and
 - (g) the going concern assumption.
- 2.3 If the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, having first discussed the matter with the CEO and the CFO, it shall, as appropriate, report its views to the Board.
- 2.4 Where requested by the Board, the Committee should 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 the Committee should also advise the Board on its statement, to be included in the annual report, based on the accounts.
- 2.5 Where requested by the Board, the Committee shall review any other statements requiring Board approval which contain financial information, where to carry out a review and provide advice prior to Board approval would be practicable and consistent with any prompt reporting requirements.
- 2.6 The Committee shall, unless expressly addressed by the Board itself:
- (a) keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and enterprise risk management systems;
 - (b) monitor the integrity, accuracy and consistency of the sustainability and ESG disclosures of the Company; and
 - (c) review and approve the statements to be included in the Company's annual report concerning internal controls, enterprise risk management, sustainability and ESG, and recommend the same for Board approval.
- 2.7 The Committee shall:
- (a) 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;
 - (b) Review the financing considerations and capital raising strategy of the Company;

- (c) Recommend and keep under annual review the decision for the Board whether or not to set up an internal audit function based on the growth of the Company, the scale, diversity and complexity of the Company's activities and the number of employees, as well as cost and benefit considerations;
- (d) Consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the Company's external auditor;
- (e) Approve the terms of engagement and remuneration of the Company's external auditor.
- (f) Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor (at least once a year), without management being present, to discuss their remit and any issues arising from the audit. Where appropriate, the Committee should have regular contact with the external auditor throughout the year to ensure any issues which arise are dealt with promptly;
- (g) Discuss with the external auditor 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;
- (h) Review the audit representation letters before consideration by the Board, and make recommendation to the Board giving particular consideration to matters that relate to non-standard issues;
- (i) Review the effectiveness of the external audit process, including an assessment of the quality of the audit, the handling of key judgements by the external auditor and the external auditor's response to questions from the Committee; and
- (j) Develop and implement a policy on the supply of non-audit services by the external auditor, including approval of non-audit services by the Committee considering the impact this may have on independence 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.

PART B - RISK

2.8 The Committee shall:

- (a) On an annual basis, ensure that a robust assessment of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity and reputation) by the Company for Committee review, and provide advice on the management and mitigation of those risks;
- (b) Oversee the current and prospective risks faced by the Company and its strategy in relation to future risks;
- (c) Periodically review the Company's overall enterprise risk management framework and processes;

- (d) Review the Company's procedures for detecting fraud;
- (e) Review the Company's systems and controls for ethical behaviour and the prevention of bribery and receive reports on non-compliance;
- (f) Work and liaise as necessary with other Board committees, and consider such other matters as may be requested by the Board; and
- (g) Provide qualitative and quantitative advice to the Remuneration Committee on risk weightings to be applied to performance objectives incorporated in executive remuneration.

2.9 The Committee shall:

- (a) On an at least annual basis, review the Company's objectives and associated budget. Any challenge should focus on inconsistencies with the costs versus the strategy, benchmarking with peers, and reflecting the spend nature relative to the maturity position of the Company through its lifecycle. The review should also focus on financial risks to which the Company is exposed, especially around solvency and liquidity and provide advice on the management and mitigation of those risks; and
- (b) The Committee shall comment on the budget plan presented by Management and make recommendation to the Board for its approval.

3. MEMBERSHIP

- 3.1 The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee in consultation with the chair of the Committee, among its Non-Executive members.
- 3.2 The Board shall appoint the chair of the Committee (the "**Committee Chair**"). In the absence of the Committee Chair at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
- 3.3 Appointments to the Committee shall be for an initial period of up to three years, with the exact term being determined to synchronise with each appointee's remaining term on the Board (as applicable). This initial appointment period may be extended for further periods provided the members still meet the criteria for the membership of the Board and the Committee.
- 3.4 The Committee shall have at least three members, of which at least one of whom shall have recent and relevant financial experience including competence in accounting and/or auditing.
- 3.5 The Company shall rely on the exemption under paragraph (4) Article 52 (Audit Committee) of the Audit Law which exempts the requirement for the Committee Chair and the majority of the Committee members to be independent, for so long as all the Committee members are appointed solely among the non-executive members of the Board, as provided for clause in clause 3.1.
- 3.6 The members of the Committee can be varied at any time by the Board.

4. QUORUM AND VOTING ARRANGEMENTS

- 4.1 The quorum necessary for the transaction of business shall be two members.

- 4.2 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 4.3 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to participate in the deliberations and vote at the meeting.
- 4.4 Save where he or she has a personal interest, the Committee Chair will have a casting vote.

5. FREQUENCY OF MEETINGS AND ATTENDANCE

- 5.1 The Committee shall meet at least three times a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested by the Board.
- 5.2 Only members of the Committee have the right to attend Committee meetings but other directors of the Company (the “**Directors**”) and persons (such as the Chief Executive Officer, Chief Financial Officer, the SVP Finance and VP Investor Relations) and external advisers may be invited by the Committee in its sole discretion to attend all or part of any meeting. Members of the Committee may attend Committee meetings by video or telephone conference.
- 5.3 The General Counsel, the Deputy Company Secretary, or a delegate shall be the secretary of the Committee (the “**Committee Secretary**”).

6. NOTICE OF MEETINGS

- 6.1 The procedure for giving notice of meetings of the Committee shall be the same as for meetings of the Board as set out in the articles of association of the Company.

7. AUTHORITY

- 7.1 The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company’s expense, professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee or Director, and all such employees or Directors will be directed to co-operate with any request made by the Committee.

8. REPORTING

- 8.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the Committee Secretary. Draft minutes of each meeting will be circulated to all members of the Committee. Once approved, the minutes of each meeting will be made available to the Board as a formal record of the decisions of the Committee, unless, exceptionally, it would be inappropriate to do so in the opinion of the Committee Chair.
- 8.2 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 8.4 The Committee shall produce a report of its activities to be included in the Company's annual report, describing the work of the Committee, and shall recommend the same to the Board for submission to the general meeting of shareholders.

9. GENERAL MATTERS

- 9.1 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 9.2 The Committee shall have access to sufficient resources in order to carry out its duties.
- 9.3 The Committee shall give due consideration to all applicable laws and regulations as appropriate.