

# **Cornish Metals plc**

## **Terms of Reference**

### **for the Audit Committee**

Adopted at a meeting of the Board held on 15 December 2025

# Cornish Metals plc (the “Company”)

## Terms of reference for the Audit Committee

### 1. Constitution

The committee has been established by a resolution of the board of directors of the Company (the “Board”) and is to be known as the Audit Committee (the “Committee”).

### 2. Membership

2.1 The members of the Committee shall be appointed by the Board from amongst the non-executive directors of the Company, on the recommendation of the Company’s nomination committee (if one is in place), and in consultation with the Chair of the Committee, and shall consist of not less than three members. A majority of the members of the Committee shall be independent non-executive directors of the Company. At least one member of the Committee shall have recent and relevant financial experience and it should be made clear to the members of the Committee which member(s) have that experience.

2.2 The members of the Committee shall, between them, have not only recent and relevant financial experience, but also overall:

- (a) extensive business experience;
- (b) knowledge of financial markets;
- (c) an understanding of management practices including risk management activities, both generally and in the Company’s industry sector; and
- (d) knowledge of any relevant specialist regulatory or legal requirements.

2.3 The Chair of the Committee shall be appointed by the Board and shall not be the Chair of the Board. Where possible, the Chair of the Committee should have prior experience as a director with another quoted company of similar size and resources and have a broad experience in various risks (including non-financial) facing comparable companies.

2.4 Each member of the Committee shall disclose to the Committee:

- (a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or
- (b) any potential conflict of interest arising from a cross-directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee or absent himself from all or part of the meeting of the Committee in question.

2.5 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.

2.6 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for up to two additional three-year periods, provided the director

still meets the criteria for membership of the Committee. Any member of the Committee can be removed at any time from that role by resolution of the Board.

2.7 Membership of the Committee shall be noted in the annual directors' report of the Company.

### 3. **Chair of the Committee**

3.1 The Chair of the Committee is responsible for the operation and effectiveness of the Committee.

3.2 There are five main elements to role of the Chair of the Committee:

- (a) managing the Committee as a team to get the best out of the members to perform an effective oversight role within a unitary board structure;
- (b) supporting and, if necessary, mentoring the Chief Financial Officer in the responsibilities arising in a quoted company environment;
- (c) ensuring that the Committee addresses all the tasks delegated to it and that any shortage in skills or experience of committee members is mitigated by the attendance of people with relevant expertise;
- (d) working with the Company's nomination committee (if one is in place, or, if not, the Board) to ensure that the Committee members have an appropriate mix of relevant skills and experience in both financial and non-financial matters; and
- (e) communicating effectively the performance of the Committee to shareholders and stakeholders through audit committee reports.

3.3 The Chair of the Committee shall set and manage the Committee's agenda. The agenda should allow the Committee to have an independent, objective discussion and debate, without the presence of management, at least once per year.

3.4 The Chair of the Committee shall work closely with the Chief Financial Officer, the Company Secretary, external audit partner and others to ensure that all relevant information and opinions are brought to the attention of the Committee members, so that they can formulate an accurate assessment of the matters under consideration, and so that appropriate items may be placed on to the agenda of the Board.

3.5 The Chair of the Committee shall have considered, in advance of each Committee meeting, the different possible outcomes of the matters that will be under discussion and the possible further action that may be required.

3.6 The Chair of the Committee should be able to deal with difficult issues in order to effectively probe, and confront where necessary, the Company's management and processes, and to effectively communicate with various stakeholders.

3.7 The Chair should be available to speak with shareholders (including proactive engagement with significant shareholders) and should be present at the Annual General Meeting. The Chair should also have the time available to develop and monitor the Committee's activities and should oversee the induction of new members of the Committee.

### 4. **Attendance at Meetings**

4.1 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Financial Officer, the Chair of the Board (where not a member of the

Committee), the Chief Executive Officer, other directors and representatives from the finance function and/or external advisers may be invited to attend all or part of any meeting as and when appropriate but such persons shall have no right of attendance.

- 4.2 A representative of the external auditors shall normally attend meetings. At least once in each year the members of the Committee shall meet the external auditors without the presence of any executive director or other employee of the Company and the Committee shall decide if the executive directors (or any of them) should be present or not at any other meeting attended by the external auditors.

## 5. **Secretary of the Committee**

- 5.1 The Company Secretary shall be the Secretary of the Committee.
- 5.2 In the absence of the Company Secretary, the members present at the meeting of the Committee shall elect another person as the Secretary of the Committee.
- 5.3 The Secretary of the Committee shall assist the Chair of the Committee to determine the agenda for meetings to ensure that the Committee can effectively discharge its responsibilities.
- 5.4 The Secretary of the Committee should advise the Chair of the Committee to ensure that both financial and non-financial reporting and risk issues in the Company's annual accounts and half-year financial statements are addressed by the Committee.
- 5.5 The Secretary of the Committee shall ensure that the Committee receives all relevant information relating to the matters to be considered by it in a timely manner.
- 5.6 The Secretary of the Committee should not be a member of the Committee and should not be the Chief Financial Officer.

## 6. **Role of the Chief Financial Officer**

- 6.1 The Company's finance team shall prepare many of the papers required by the Committee.
- 6.2 The Chief Financial Officer, while not a member of the Committee, shall work closely with the Chair of the Committee and the Company Secretary to ensure that papers for meetings are both comprehensive and comprehensible and are available for distribution sufficiently in advance of Committee meetings.
- 6.3 The Chief Financial Officer will have responsibility for developing and implementing all necessary policies and procedures for sound financial management and control.
- 6.4 The Chief Financial Officer shall attend most Committee meetings in order to participate in discussions on papers prepared by the finance team and decisions which he/she will be involved in implementing.

## 7. **Proceedings at Meetings**

- 7.1 A quorum for a meeting of the Committee shall be two members and it is preferable for any quorum to include a member with recent relevant financial experience. 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.

7.2 Members of the Committee may attend meetings of the Committee either in person, by telephone or through other means of electronic communication, provided all participating Committee members can hear each other.

7.3 Should any member of the Committee wish to attend a meeting by telephone or through other means of electronic communication, prior arrangements shall be made with the Secretary of the Committee.

7.4 Subject as provided in paragraph 2.4 above, each member of the Committee shall have one vote. In the event of an equality of votes, the Chair of the Committee shall have a second or casting vote (again subject as provided in paragraph 2.4 above). In the absence of the Chair of the Committee or any appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

## 8. **Frequency of Meetings**

8.1 The Committee shall meet at least three times a year and at such other times as the Chair of the Committee shall require and in any event at appropriate times in the reporting and external audit cycle and as otherwise required.

8.2 Any member of the Committee or the external auditors may request a meeting if they consider that one is necessary.

## 9. **Notice of Meetings**

9.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external auditors if they consider it necessary.

9.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded by the Secretary of the Committee to each member of the Committee, any other person required to attend and the external auditors no later than five working days (which notice may be waived by any director) before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

9.3 The Secretary of the Committee will be responsible for ensuring that supporting papers are only accessible to the relevant meeting attendees and are circulated in a manner compliant with the data protection policies of the Company and its subsidiaries (the “**Group**”).

## 10. **Minutes of Meetings**

10.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

10.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee (and, if they were not present at the meeting, the Company Secretary). Once approved, minutes should be circulated to all members of the Board (and, if they were not present at the meeting, the Company Secretary) unless, exceptionally, it would be inappropriate to do so.

10.3 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

## 11. **Engagement with Shareholders**

The Chair of the Committee shall attend the annual general meeting of the Company and be available to respond to any shareholder questions on the Committee's activities. In addition, the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## 12. **Authority**

12.1 The Committee is authorised by the Board to investigate and undertake any activity within its terms of reference. It shall have unrestricted access to the external auditors. It is authorised to seek any information it properly requires from any director, employee or professional adviser of the Group and all directors, employees and professional advisers are directed to co-operate with any request made by the Committee.

12.2 The Committee is authorised by the Company to access the records of the Group and such information as is necessary to fulfil its duties.

12.3 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal, accounting or other independent professional advice on any matters within its terms of reference and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The cost of obtaining such advice or services shall be within such limits as may be authorised by the Board from time to time.

## 13. **Purpose**

The purpose of the Committee is to support the Board in providing confidence to shareholders on the integrity of the financial results of the Company expressed in the annual report and accounts and other relevant public announcements of the Company.

## 14. **Duties**

14.1 The duties of the Committee are to:

- (a) consider the appointment, re-appointment and terms of engagement of the external auditors, the auditors' remuneration and any question of resignation or dismissal of the auditors and to make recommendations to the Board on the same, to be put to shareholders for approval. The Committee shall oversee the selection process for new external auditors and if an external auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- (b) keep under review and oversee the relationship with the external auditors to ensure that it is appropriate including (but not limited to):
  - (i) approval of their remuneration, whether fees for audit or non-audit services should be paid and that the level of fees is appropriate to enable an adequate audit to be conducted;
  - (ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - (iii) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);

- (iv) the nature and extent of non-audit services supplied by the external auditors (where they supply a substantial volume of such services to the Company), seeking to balance the maintenance of objectivity and value for money;
- (v) develop and implement policy on the engagement of the external auditors to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external auditors and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;
- (vi) discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made vis-à-vis the Company's internal auditing standards, if applicable;
- (vii) ensuring that the external auditors report in a timely manner to the Committee on:
  - (A) all accounting policies and practices used or to be used;
  - (B) all alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor; and
  - (C) all other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences;
- (viii) ensuring that procedures are in place for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (ix) monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
- (x) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - (A) a discussion of any major issues which arose during the audit;
  - (B) any accounting and audit judgements; and
  - (C) levels of errors identified during the audit;
- (xi) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures; and
- (xii) ensuring the annual audit is effective, objective, independent, appropriately priced and of a high quality;

- (c) make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- (d) monitor and review, in discussion with the auditors, the preparation and integrity of the financial statements, including the half-year financial statements and annual accounts and reports to shareholders and any other public announcement concerning the Company's financial position to ensure that they portray a fair, balanced and understandable view of the performance, position and prospects of the Company;
- (e) ensure the Company has an adequate process for approving market announcements and making these available to Board members for review and comment;
- (f) keep under review the consistency of accounting policies both on a year-to-year basis and across the Company;
- (g) discuss problems, reservations and recommendations arising from audits and any matters the external auditors may wish to discuss (in the absence of executive directors and other management, where necessary);
- (h) advise the Board, independently from the executive directors and the external auditors, whether it considers the Company's corporate reporting, including the annual report and accounts, to be fair, balanced, and understandable;
- (i) seek to help the wider Board develop an understanding of the work of the Committee and the issues it encounters, particularly for Board members with less experience in this area;
- (j) report to the Board on any significant reporting and risk issues, including estimates and judgements made in connection with the preparation of the Company's annual report and accounts;
- (k) communicate and engage effectively with shareholders on the extent of the Committee's activities;
- (l) review any representation letter(s) requested by the external auditors before they are signed by management and the external auditors' management letter and response;
- (m) to annually review the need for an internal audit function and, to the extent required, to approve the appointment of a head of internal audit;
- (n) keep under review and challenge where necessary the process of the identification of risks and opportunities, and risk mitigation structures and processes, across the business of the Group, including the effectiveness and adequacy of the Company's internal financial controls;
- (o) unless expressly addressed by a separate Board risk committee composed of independent directors, or by the Board itself, to support the Board in embedding a sound system of risk management and internal control, including the oversight and review of the effectiveness of the Company's internal control and risk management systems;
- (p) to review any statement on internal control and risk management to be included in the directors' report before submission to the Board for its approval;
- (q) review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters

and ensure that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action;

- (r) ensure that the Company's corporate reporting (including non-financial areas in the Company's annual accounts and half-year financial statements) and risk management processes address relevant non-financial matters, as well as financial matters;
- (s) review the Company's procedures for detecting fraud;
- (t) review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- (u) consider the major findings of internal investigations and management's response;
- (v) have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required;
- (w) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (x) to work and liaise as necessary with other board committees, ensuring the interaction between committees and with the Board is reviewed regularly; and
- (y) consider other topics, as requested by the Board.

14.2 A Committee member:

- (a) shall be prepared to stand up to the other directors in order to ensure adequate information is provided to shareholders;
- (b) shall commit sufficient time to the role, which may require a significant commitment of time within the weeks prior to the issue of results; and
- (c) shall attend Committee meetings well prepared and shall be able to participate and contribute to discussions.

15. **The Committee**

15.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for advice and assistance as required.

15.2 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members to enable them to perform their roles effectively.

15.3 The Committee shall, at least once a year, review its own performance, its composition and these terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The review should consider technical input, the quality of interaction, engagement of Committee members and how it has supported the Board.

15.4 The Committee shall make available its terms of reference for inspection at the registered office of the Company and on the Company's website.

**16. Reporting Procedures**

- 16.1 The Chair of the Committee shall report formally to the Board at the next full Board meeting on its proceedings after each meeting on all matters within its duties and responsibilities.
- 16.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for Board discussion when necessary.
- 16.3 The Committee shall provide a description of its work in the annual report in line with the requirements of any relevant corporate governance codes and associated guidance.

**17. Role of the external audit partner**

- 17.1 The external audit partner should provide a clear outline of the material issues that need to be considered by the Committee in respect of the audit of the financial statements and any significant deficiencies in the Company's system of internal control identified during the course of the audit.
- 17.2 The external audit partner must give an objective opinion on the year-end financial statements communicate significant matters arising during the audit to assist the Committee in performing their role when assessing the effectiveness of the audit process and the quality of the finance team.

**18. General**

- 18.1 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.
- 18.2 Any of the terms set out in this document may be varied by a majority resolution of the Board.

Adopted at a meeting of the Board held on 15 December 2025.