



AXA GROUP AUDIT COMMITTEE TERMS of REFERENCE

1. PURPOSE

The purpose of the Audit Committee (“the Committee”) is to assist the Board of Directors’ (“the Board”) oversight of the:

- 1.1 Adequacy and effectiveness of the Group’s internal control and risk management frameworks.
- 1.2 Financial reporting process and the integrity of the publicly reported results and disclosures made in the financial statements.
- 1.3 Effectiveness, performance and independence of the Group’s internal and external auditors.

2. AUTHORITY

The authority of the Committee extends to AXA SA (“AXA”) and to all business units and subsidiaries included in the AXA Group’s consolidated financial statements (collectively, the “Group”) and, to fulfil its duties, the Committee may at any time in its discretion:

- 2.1 Request, at the Group’s expense, the engagement of external experts to perform investigations into any matter within its scope of responsibility to the extent that it deems necessary or appropriate.
- 2.2 Request any information it desires from the Group, including calling any employee to provide information at a meeting of the Committee.

3. ADMINISTRATION

- 3.1 The Committee shall comprise at least three members and may have a maximum number of seven members; each of whom must fulfil applicable listing, legal & regulatory requirements, as well as Group requirements on competence and independence.
- 3.2 A majority of the Committee shall constitute a quorum.
- 3.3 The Committee shall meet at least four times each year, with the authority to convene additional meetings as and when it deems appropriate.
- 3.4 Without the presence of other executives, the Committee shall meet with the external auditors and with the Head of Internal Audit at least twice each year to discuss their respective remits and any unresolved issues, concerns or other matters.
- 3.5 A summary report of the Committee meeting shall be made to the Board following each meeting of the Committee by the Chair of the Committee. However, in the case of any significant issues or difficulties that it may face, the Committee shall inform the Chairman of the Board as soon as is practicable.
- 3.6 An evaluation of the performance of the Committee shall be performed against the requirements of these terms of reference on an annual or other periodic basis deemed appropriate by the Committee or the Board.

4. DUTIES

The Committee shall consider and report to the Board on each of the following matters on an annual or other periodic basis as it deems appropriate:

4.1 *Risk Management & Internal Control*

To allow the Committee to review and form an opinion on the effectiveness of the Group's internal control and risk management frameworks, the Committee shall in particular:

- a. Discuss with management the Group's framework for assessing and managing the Group's exposure to risks, the results of the risk assessments performed, and the steps management has taken to monitor that such exposures remain within the risk appetite set by the Group. The Audit Committee is not responsible for setting the risk appetite, nor required to review or opine on the level of risk appetite set.
- b. Review management reports on any developments that may significantly affect the risk profile or operations of the Group, and request reports from management on any such developments from time to time as deemed appropriate.
- c. Consider management's and/or internal/external auditors' assessments of the effectiveness of internal control and risk management processes including any weaknesses or other issues revealed by investigations of the causal factors behind events such as internal frauds, significant legal actions and reported operational failures, as well as the results of reviews performed by bodies such as internal and external audit, compliance, management control functions, and regulators.

4.2 *Financial Statements & Reporting Processes*

To allow the Committee to form an opinion on the integrity of the publicly reported results and disclosures made in the financial statements of AXA and the consolidated financial statements of the Group, the Committee shall, in particular:

- a. Review the results of management's testing of internal controls over financial reporting designed to assure the integrity of the Group's financial statement disclosures.
- b. Review the draft financial statements to be submitted for approval to the Board to consider the quality and clarity of the information provided and challenge, where necessary, the actions and judgments of management, particularly focussing upon:
 - i. Significant accounting policies or practices and any changes thereto.
 - ii. Compliance with Accounting Standards.
 - iii. Material decisions requiring a major element of judgment or significant estimates.
 - iv. The treatment and disclosure of any new complex and/or unusual transactions during the period.
 - v. Any significant adjustments resulting from external audit work or otherwise.
 - vi. Any qualifications or non-compliance with accounting standards or any listing, regulatory and/or legal requirements with regard to financial reporting.
 - vii. Any matters drawn to the attention of the Committee by the Group's external auditors.
- c. Consider the results of; and procedures for the receipt, retention and investigation of; any significant complaints received by the Group regarding accounting, internal controls over financial reporting, or auditing matters.

4.3 External Auditors

To allow the Committee to form an opinion on the effectiveness, performance and independence of the Group's external auditors, the Committee shall:

- a. Consider the external auditors' internal policies and procedures regarding independence and quality control and receive confirmation that they have been applied.
- b. Review the external auditors' assignment plan, annual report and management letter.
- c. Review and give its opinion on the Group's policy on the engagement of the external auditors to supply non-audit services and review the breakdown of the fees paid to the external auditors by the Group.
- d. Consider the appointment, reappointment, dismissal or resignation of the external auditors and oversee the process for selecting the external auditors, making recommendations regarding their appointment, reappointment, or dismissal to the Board.

4.4 Internal Auditors

To allow the Committee to form an opinion on the effectiveness, performance and independence of the Group's internal auditors:

- a. Review the Group's internal audit plan, particularly with regard to the Group's strategy, and risk and control profile; ensuring that it is free from constraint by management.
 - b. Consider the adequacy of resources available to the Group's internal auditor function (both financial budget and skills available) in the context of the risk and control profile of the Group.
 - c. Review the major findings presented by internal audit and consider the appropriateness of management's response to them.
 - d. Review the quarterly report on resolution of internal audit issues, requesting further management explanation where necessary for high priority issues that are overdue.
 - e. Review the performance of the internal audit function and commission a periodic independent assessment of the effectiveness of the Group's internal audit function.
 - f. Consider matters relating to the appointment, resignation or dismissal of the Global Head of Internal Audit as those events arise.
-