



## **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 AXA SA’s (“the Company”) and the Group’s internal control and risk management frameworks.
- 1.2 Financial and extra-financial reporting processes, including the integrity of the publicly reported results and disclosures made in the financial statements.
- 1.3 Effectiveness, performance and independence of the Company’s and the Group’s internal and external auditors.

### **2. AUTHORITY**

The authority of the Committee extends to the Company 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 be made up of at least three members and at most 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 (i) at least four times each year, with the authority to convene additional meetings as and when it deems appropriate and (ii) at least once a year jointly with the Finance & Risk Committee to review the Company’s and the Group’s ORSA report and any other report to be approved by the Board of Directors under Solvency II regulations.
- 3.4 Without the presence of other executives, the Committee shall meet with the external auditors and with the Global 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 Company's and the Group's internal control and risk management frameworks, the Committee shall in particular:

- a. Discuss with management the Company's and the Group's frameworks for assessing and managing 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. 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 Company's or the Group's risk profile, and request reports from management on any such development from time to time as deemed appropriate following discussion with the Chairman of the Board and the Chairman of the Finance & Risk Committee.
- 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 Company's financial statements 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 half-year and annual 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 Extra-Financial Information & Reporting

To allow the Committee to form an opinion on the integrity of the extra-financial information publicly disclosed by the Group and, when approval is required, make recommendations to the Board of Directors, the Committee shall notably (i) make sure that an effective process for preparing the Group's extra-financial information is in place, (ii) review and consider the quality and clarity of the extra-financial information to be disclosed, in particular the extra-financial performance statement (*declaration de performance extra-financière*) included in the Universal Registration Document and (iii) challenge, where necessary, the actions and judgments of management.

### 4.4 Solvency II Regulations & Reports

To allow the Committee to make recommendations to the Board of Directors with regards to certain of its obligations under Solvency II regulations, the Committee shall review:

- a. The Company's and the Group's ORSA report as well as any other report requiring approval from the Board of Directors under Solvency II regulations, together with the Finance & Risk Committee,
- b. The Company's and the Group's written policies before approval by the Board of Directors, and
- c. The request for approval of the internal model and each subsequent major change to the model before endorsement by the Board of Directors.

### 4.5 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.
- e. Consider and make a recommendation to the Board regarding the appointment, reappointment, dismissal or resignation of the independent third-party(ies) responsible for providing assurance on the Group's sustainability reporting.

### 4.6 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 Company's and the Group's internal audit plan, particularly with regard to the Company's and 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.
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