



Audit Committee

Terms of Reference

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1. Definitions

Committee means the Audit Committee

Company means Worldpay Group PLC

Group means the Worldpay group of companies, being the subsidiaries of the Company

Board means the board of directors of Worldpay Group PLC

2. Constitution

2.1 It is resolved that a committee of the Board be established, to be known as the Audit Committee.

3. Membership

- 3.1 The Committee shall comprise a minimum of three members and at least one member must also be a member of the risk committee. Members of the Committee are appointed by the Board on the recommendation of the nomination committee in consultation with the chairman of the Committee.
- 3.2 All members of the Committee should be independent non-executive directors. The chairman of the Board may not be a member of the Committee. If the Board decides that a member of the Committee is no longer independent, the Board will determine whether or not that member will cease to be a member of the Committee.
- 3.3 At least one member of the Committee must have been determined by the Board to have recent and relevant financial experience, ideally with a professional qualification from a professional accounting body.
- 3.4 The chairman and members shall be listed each year in the Company's annual report.
- 3.5 Each member shall hold office as a Committee member for a period of up to three years, which may be extended by no more than two additional periods of up to three years, so long as the member continues to be an independent non-executive director.
- 3.6 The Board shall appoint the Committee chairman. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.7 If any member of the Committee is unable to act for any reason, the chairman of the Committee may appoint another independent non-executive director of the Company agreed by the other members of the Committee to act as that member's alternate.

- 3.8 The company secretary or his or her nominee shall be the secretary of the Committee. The company secretary shall ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 3.9 Each member of the Committee shall disclose to the committee:
- a) any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
 - b) any potential conflict of interest arising from a cross-directorship.

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 requested by the board) shall resign from the Committee.

4. Meetings

- 4.1 The Committee shall meet at least three times a year, to coincide with key dates within the financial reporting and audit cycle and otherwise as the chairman of the Committee shall require.
- 4.2 No one other than the chairman and members of the Committee are entitled to be present at a meeting of the Committee. The chairman and members of the Committee shall, however, have the discretion to decide if other individuals such as the chairman of the Board, chief executive, other directors, the heads of risk and compliance and representatives from the finance function of the Company may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The external auditor, Chief Internal Auditor and Chief Finance Officer will be invited to attend meetings of the Committee on a regular basis.
- 4.3 At least once a year, the Committee shall meet with the external and internal auditors, without management, to discuss matters relating to its remit and any issues arising from the audit.
- 4.4 The quorum for meetings of the Committee shall be two members present throughout the meeting. 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.
- 4.5 Meetings of the Committee shall be called by the secretary of the Committee at the request of any member or at the request of external auditor or Chief Internal Auditor if they consider it necessary. A meeting shall be held as soon as reasonably practicable upon a request for such meeting.
- 4.6 Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, where appropriate, shall be forwarded to each member of the Committee and any person invited to attend no later than five working days prior to the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the Committee to all members of it and to arrange such meetings so that members are able to attend them.
- 4.7 A member of the Committee may participate and be included in any quorum in Committee meetings if they attend in person, by telephone or video conference.

- 4.8 In the event of an equality of votes, the chairman of the Committee shall have a casting vote.
- 4.9 The secretary of the Committee shall prepare minutes of proceedings and decisions for all meetings of the Committee, including the names of those present and in attendance, and, after approval and signature by the chairman of the Committee, shall circulate the minutes to all members of the Committee and to the chairman of the Board and, once agreed, to all other members of the Board, unless it would be inappropriate to do so in the opinion of the Committee chairman.
- 4.10 The chairman of the Committee shall be available to answer questions about the Committee's activities at the annual general meeting of the Company. All members of the Committee are expected to attend the annual general meeting.
- 4.11 Outside of the formal meeting programme, the Committee chairman shall communicate on a continual basis with key individuals involved in the Company's governance, including the Board chairman, the Chief Executive, the Chief Financial Officer, the external audit lead partner and the Chief Internal Auditor.

5. Duties

- 5.1 The Committee should carry out the duties below for the Company, its major subsidiary undertakings and the Group, as appropriate.

The duties of the Committee shall be:

5.2 External Auditors

- 5.2.1 to consider and make recommendations to the Board, for it to put to the shareholders for their approval in general meeting in relation to the, selection, appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- 5.2.2 if the Board does not accept the Committee's recommendation on the appointment, re-appointment and removal of external auditors, to prepare a statement explaining the Committee's recommendation which shall be included in the annual report and in any papers recommending appointment or re-appointment together with the Board's reasons for taking a different position;
- 5.2.3 to meet regularly with the external audit lead partner and other audit partners and staff including once at the planning stage before the audit and once after the audit at the reporting stage and in accordance with the section headed 'meetings' above;
- 5.2.4 to review and agree the engagement letter with the external auditor at the start of each audit; to discuss with the external auditors before the audit commences and keep under review the scope and results of the audit, as well as whether the level of fee payable is appropriate for the provision of those services; and ensure co-ordination where more than one audit firm is involved;
- 5.2.5 to review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

- 5.2.6 to review and monitor annually the external auditor's independence, objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- 5.2.7 to ensure that at least once every ten years the audit services contract is put out to tender and, in respect of such tender, to oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process;
- 5.2.8 to satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Group (other than in the ordinary course of business) which adversely affect its independence and objectivity;
- 5.2.9 to agree with the Board a policy on the employment of former employees of the Company's auditor, then monitor the implementation of this policy;
- 5.2.10 to monitor the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements (including legal and regulatory requirements);
- 5.2.11 to assess annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
- 5.2.12 to seek to ensure co-ordination between the external audit and the activities of the Group Internal Audit function;
- 5.2.13 to evaluate the risks to the quality and effectiveness of the financial reporting process and to consider the need to include the risk of the withdrawal of their auditor from the market in that evaluation;
- 5.2.14 to develop, implement and keep under review a policy on the provision of non-audit services by the external auditor, taking into account relevant ethical guidance; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken (so as to ensure that the provision of such services does not impair the external auditor's independence and objectivity);
- 5.2.15 to consider the auditors' work plan for the annual and any interim audit and proposed resources in light of the scope of the audit ;
- 5.2.16 to monitor the planned programme of audits and to ascertain the reason for any change or delay in the programme;
- 5.2.17 to review with the external auditors (in the absence of management if necessary), the results of their work in conducting the annual and any interim audit , including:
 - a) the effectiveness of the audit and any major issues that arose during the course of the audit;
 - b) key accounting and audit judgements;

c) levels of errors identified during the audit, obtaining explanations from management and, where necessary, the external auditors as to why certain errors might remain unadjusted; and

d) any reservations that the external auditors may have and other matters that they wish to raise;

5.2.18 to discuss any difficulties, reservations or other matters arising from such review (in the absence of management where necessary);

5.2.19 to review the audit representation letters before signature by management, giving particular consideration to matters where representation has been requested that relates to non-standard issues ;

5.2.20 to review the external auditors' management letter and management's response to the external auditor's findings and recommendations;

5.2.21 at the end of the annual audit cycle, to assess the effectiveness of the audit process ; and

5.2.22 if the external auditor resigns, to investigate the issues leading to such resignation and to consider whether any action is required.

5.3 Internal Audit

5.3.1 The Audit Committee should be responsible for approving the Group Internal Audit budget and as part of the Board's overall governance responsibility, should disclose in the annual report whether it is satisfied that Group Internal Audit has appropriate resources and access to information to enable it to fulfil its mandate and is equipped to perform in accordance with appropriate professional standards for internal auditors;

5.3.2 to ensure that the Chief Internal Auditor has direct access to the chairman of the Company and to the Committee and that the Chief Internal Auditor has direct access to the Board and Committee chairman and is accountable to the Committee;

5.3.3 to monitor and review the effectiveness of the Group Internal Audit function in the context of the company's overall risk management system, as well as to consider and approve the remit of the Group Internal Audit function, ensure that it is adequately resourced, has access to the information necessary to enable it to fulfil its mandate, and is able to perform in accordance with appropriate professional standards for internal auditors. The audit committee shall also ensure the function has adequate standing and is free from management or other restrictions;

5.3.4 if the Company has no internal audit function, to annually consider the need for one and make a recommendation to the Board;

5.3.5 to approve the appointment or termination of appointment of the Chief Internal Auditor;

5.3.6 to review the report provided by the Chief Internal Auditor confirming that Group Internal Audit has the required skills and experience commensurate with the risks of the organisation. This may entail additional training, recruitment, secondment from other parts of the organisation or resourcing with external third parties;

5.3.7 to review and assess the annual Group Internal Audit plan and any proposed amendments that may occur through the following year;

- 5.3.8 to receive a report on the results of the Chief Internal Auditor's work on a periodic basis;
- 5.3.9 to review reports addressed to the Committee from the Chief Internal Auditor;
- 5.3.10 meet with the Chief Internal Auditor at least once a year without the presence of management to discuss their remit and any issues arising from internal audit reviews;
- 5.3.11 the Audit Committee should obtain an independent and objective assessment of the Group Internal Audit function at appropriate levels (at least every five years). The chairman of the Committee should oversee and approve the appointment process for independent assessor;
- 5.3.12 to review and monitor management's responsiveness to the findings and recommendations of the Chief Internal Auditor;
- 5.3.13 to keep under review the adequacy and effectiveness of Company's internal financial controls (that is, the systems established to identify, assess, manage and monitor financial risks) and to review the Group's internal control and risk management systems; and
- 5.3.14 to consider the major findings of internal investigations and management's response.

5.4 Financial reporting

- 5.4.1 to monitor the integrity of the financial statements of the Company including its annual and half-yearly reports, any interim management statements, any preliminary results announcements, and any other formal announcements relating to the Company's financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements contained in them (having regard to matters communicated to it by the external or internal auditor).
- 5.4.2 to review significant financial returns to regulators and any significant financial information contained in other documents.
- 5.4.3 the audit committee shall focus particularly on:
 - 5.4.3.1 considering significant accounting and treasury policies, any changes to them and any significant estimates and judgements, across the Company and the Group;
 - 5.4.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
 - 5.4.2.3 where the accounting treatment is open to different approaches, considering whether the Company has adopted appropriate accounting standards and, where necessary, made appropriate estimates and judgements taking into account the views of the external auditor;
 - 5.4.2.4 reviewing the clarity and completeness of disclosures in the financial reports and statements and considering whether the disclosures made are set properly in context;
 - 5.4.2.5 reviewing all material information presented with the financial statements, such as the strategic report, directors' report and the corporate governance statement (insofar as it relates to the audit and risk management);
- 5.4.3 to review the annual financial statements of any pension scheme relating to the Company or the group;

- 5.4.4 to assess the effectiveness of the group's financial reporting procedures;
- 5.4.5 to report its views to the Board where it is not satisfied with any aspect of the financial reporting by the Company.
- 5.5 **Narrative reporting**
 - 5.5.1 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.

6. Reporting Responsibilities

- 6.1 The reporting responsibilities of the Committee shall be:
 - 6.1.1 to review the statement by the directors to be included in the half yearly and annual accounts whereby the directors should state whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
 - 6.1.2 to assist the Board by preparing a statement for inclusion in the directors' report (to shareholders as contained in the annual report) describing the roles and responsibilities of the Committee and actions taken by the Committee to discharge those responsibilities; as well as listing the names of all members of the Committee, the number of committee meetings and attendance by each member;
 - 6.1.3 to produce for the Board's approval the statement for inclusion in the annual report in relation to internal control;
 - 6.1.4 to produce for the Board's approval the statement for inclusion in the annual report setting out how the directors have assessed the prospects of the Company, over what period and why they consider that period to be appropriate (including whether the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary);
 - 6.1.5 where there is no internal audit function, to set out the reasons for the absence of such a function in the relevant section of the annual report;
 - 6.1.6 if the external auditor provides non-audit services, to provide an explanation for inclusion in the annual report of how auditor objectivity and independence is safeguarded.
- 6.2 The chairman of the Committee shall report formally to the board on its proceedings after each meeting. This report shall include:
 - a) the significant issues that it considered in relation to financial statements and how these were addressed;

- b) its assessment of the effectiveness of the external audit process and its recommendation on the appointment or re-appointment of the external auditor; and
 - c) any other issues on which the Board has requested the Committee's opinion.
- 6.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.4 The Committee shall report formally to the Board on its activities to be included in the Company's annual report. The report should include:
- a) an explanation of how the Committee has addressed the effectiveness of the external audit process;
 - b) the significant issues that the Committee considered in relation to financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor;
 - c) all other information requirements set out in the UK Corporate Governance Code; and
 - d) if the external auditor provides non-audit services, how auditor objectivity and independence are safeguarded.
- 6.5 The Committee has the right to publish in the Company's annual report, details of any issues that cannot be resolved between the Committee and the Board.

7. Performance, Resources and Training

- 7.1 The Committee shall also:
- a) make available these terms of reference, explaining the role and the authority delegated to it by the Board, by including the information on the Company's website;
 - b) consider other topics, as defined by the Board;
 - c) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary or desirable to the Board for approval;
 - d) 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;
 - e) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure Rules and Transparency Rules and any other applicable Rules, as appropriate; and
 - f) oversee any investigation of activities which are within its terms of reference .

- 7.2 The Committee is authorised by the Board to obtain outside legal, accounting or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if it reasonably considers this necessary, at the Company's expense. The Committee shall have access to the external auditors as required.
- 7.3 The Committee shall have sufficient resources to carry out its duties including access to the services of the company secretariat on all Committee matters including (but not limited to) assisting the chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of practical support.
- 7.4 The Committee is authorised to seek any information it requires from any employee or contractor of the Company or Group company and to call any group employee or contractor to be questioned at a Committee meeting, as and when required, in order to perform its duties and shall have access to the Chief Internal Auditor (if there is one).
- 7.5 The Committee has the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.

Document control

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