COVENTRY BUILDING SOCIETY GROUP BOARD AUDIT COMMITTEE AND THE CO-OPERATIVE BANK HOLDINGS P.L.C. THE CO-OPERATIVE BANK FINANCE P.L.C. AND THE CO-OPERATIVE BANK P.L.C. BANK BOARD AUDIT COMMITTEE

Combined Terms of Reference

1. CONSTITUTION

1.1 The combined terms of reference of the audit committees (the '**Committees'**) of Coventry Building Society (the '**Society**'), The Co-operative Bank p.l.c. (the '**Bank**'), The Co-operative Bank Finance p.l.c. ('**FinanceCo**') and The Co-operative Bank Holdings p.l.c. ('**HoldCo'**) (together, the '**Entities**') were approved by the Boards of the Entities on 24 February 2026. The Committees' responsibilities are discharged on behalf of the Society and its subsidiaries (the '**Group'**) (as appropriate).

The Bank and its subsidiaries are wholly owned by FinanceCo which is wholly owned by HoldCo which is in turn wholly owned by the Society.

1.2 The purpose of each Audit Committee is to monitor, review and report to the Boards of directors of the Entities on the formal arrangements established by each of the Boards in respect of financial and narrative reporting, the internal controls and risk management systems of the Group and its subsidiaries (including, specifically, the Group's Enterprise Risk Management Framework), the internal audit and the external audit processes.

2. ALIGNED BOARD MODEL

2.1 The Audit Committees of the Group and the Bank operate an aligned Board model. This includes joint meetings for the Audit Committees where meeting agendas clearly identify which items concern which entity (Group, Society, HoldCo, FinanceCo and/or Bank).

3. ENTITIES TO WHICH THESE TERMS OF REFERENCE APPLY

3.1 Sections of these terms of reference which apply only to the Audit Committee of the Group are headed "Group Board Audit Committee only".

3.2 Sections of these terms of reference which apply only to the Audit Committee of HoldCo, FinanceCo and Bank are headed "Bank Board Audit Committee only".

3.3 Sections of these terms of reference which apply only to the Society are headed "Society only".

4. MEMBERSHIP AND ATTENDANCE

4.1 The chair of each Committee shall be an Independent Non-Executive Director (the '**Chair**') as appointed by its Board.

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4.1.1 Group Board Audit Committee only: Appointment of the Chair will be made following the recommendation of its Board's Nominations and Governance Committee.

4.1.2 Bank Board Audit Committee only: Appointment of the Chair will be made following the recommendation of its Board's Values & Ethics and Nomination Committee.

4.2 Group Board Audit Committee only: Membership of the Committee shall comprise a minimum of three and maximum of six members, who shall be independent non-executive directors (within the meaning of the UK Corporate Governance Code), including a member of the Group Board Risk Committee. The chair of the board shall not be a member of the committee.

4.3 Bank Joint Committee only: Membership of the Committee shall comprise a minimum of three and maximum of six members, who shall be independent non-executive directors, including a member of the Bank Board Risk Committee. The chair of the board shall not be a member of the committee.

4.4 Each Committee shall have competence relevant to the sectors in which the Group operates and at least one member shall have recent and relevant financial experience and a professional qualification from one of the professional accounting bodies.

4.5 Only the Chair and members of the Committee have the right to attend and vote at Committee meetings.

4.6 The Group/Bank Chief Executive Officer, the Group/Bank Chief Financial Officer, the Group/Bank Chief Risk Officer the Group Chief Internal Auditor and external auditor have standing invitations to attend the respective meetings of the Committees. Such attendees are not members of each Committee.

4.7 Other Executive and Non-Executive Directors of the Group Board or the Bank Board, external advisors and representatives from relevant business functions of the Group and/or Bank may be invited to attend all or part of any meeting as and when appropriate.

4.8 In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting.

4.9 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.

5. SECRETARY

5.1 The Company Secretary of the Group or their nominee shall act as the secretary of the Committee (the '**Secretary'**).

5.2 The Secretary should ensure that the Committee receives information and papers in a timely manner to support full consideration of the issues, the agenda having been approved by the Chair in advance.

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6. QUORUM AND VOTING

6.1 The quorum necessary for the transaction of business for each Committee shall be two members, one of whom must be the Chair or appointed deputy, both of whom are present throughout the meeting.

6.2 In the event of equal votes, the Chair of each Committee shall have a casting vote.

6.3 A member may be present for the purpose of paragraph 6.1 in person, by telephone, by videoconference or by other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A duly convened meeting of each 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.

6.4 In alignment with the Rules of the Society (Validity of Acts) and the Articles of HoldCo, FinanceCo and the Bank (resolutions without meetings), a resolution which is signed or approved by all the directors entitled to vote (members of the Committee) on that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had been passed at a meeting duly called and constituted.

7. FREQUENCY OF MEETINGS

7.1 The Committee shall meet at least four times per financial year, and otherwise as required.

7.2 Outside of the formal meeting programme, the chair of each Committee will maintain a dialogue with key individuals involved in the Group's governance, including the chairs of the Boards, the respective Chief Executive Officers, Chief Financial Officers, the External Audit lead partner, the Group Chief Internal Auditor and relevant executives from across the Group.

7.3 The Group Chief Internal Auditor shall have unrestricted access to the chairs of each Committee to raise any matter directly.

7.4 Each Committee shall meet, at least once per year, with the External Auditor and the Group Chief Internal Auditor, without executive management being present.

7.5 Each Committee shall meet, at least once per year, with executive management, without the External Auditor being present.

8. NOTICE OF MEETINGS

8.1 Any of the Committee’s members, the chair of the Boards, the External Audit lead partner or the Bank’s Chief Internal Auditor may request a meeting for the Chair and/or Secretary to consider whether to convene a meeting.

8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, and any other

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person required to attend, in a timely manner to enable full and proper consideration of issues.

9. MINUTES OF MEETINGS

9.1 The Secretary, or their nominee, shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

9.2 Draft minutes of the Committee meetings shall be circulated to all members of the Committees.

9.3 Group Board Audit Committee only: The Committee Chair will be available at the Society's Annual General Meeting to answer questions from members falling within the Committee's remit.

10. DUTIES

The responsibilities of each Committee will be to:

10.1 Financial Reporting

10.1.1 Review, monitor and challenge the integrity, clarity and completeness (including whether there is sufficient, relevant and reliable evidence in support) of the Groups' consolidated and individual financial statements, including, as applicable, their annual and half-yearly reports, Pillar III disclosures performance and any other formal announcement relating to their financial performance, reviewing and reporting to each Board as required on significant financial reporting issues and judgements which they contain, having regard to matters communicated to it by the auditor.

10.1.2 Consider key matters of its own initiative rather than relying solely on the work of the External Auditor. It must satisfy itself that the sources of assurance and information it has used to carry out its role to review, monitor and provide assurance or recommendations to each Board is sufficient and objective.

10.1.3 In particular, each Committee shall review and challenge where necessary:

10.1.3.1 the consistency of, and any significant changes to, accounting policies, accounting standards and practices adopted by the Group on a year-on-year basis;

10.1.3.2 the methods used to account for significant or unusual transactions where alternative accounting treatments are permissible;

10.1.3.3 whether the Group and has followed appropriate accounting and auditing standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

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10.1.3.4 any significant adjustments and non-adjusted items arising from the audit including in connection with non-adjusted items;

10.1.3.5 the assumptions or qualifications in support of the going concern statement and viability statement, where applicable;

10.1.3.6 the clarity and completeness of disclosures in the Group's financial reports and the context in which statements are made; and

10.1.3.7 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and risk management.

10.2 **Narrative Reporting**

10.2.1 Each Committee should review the content of the annual report and accounts and advise the Boards on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for the shareholder to assess the Group's performance, business model and strategy.

10.2.2 Group Board Audit Committee only: The Committee should review the content of the sustainability report and the Group's management of the financial risks arising from climate change and recommend to the Board for approval.

10.3 **Internal Controls and Risk Management Systems**

10.3.1 Review and challenge the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems;

10.3.2 Review and approve the statements to be included in the Group annual report concerning internal controls and risk management;

10.3.3 Review and approve the Pillar III external disclosures for each of the Entities.

10.3.4 Review the Group's arrangements for the deterrence, detection, prevention and investigation of fraud and receive and consider special investigation reports relating to fraud or major breakdowns in internal controls or major errors and omissions including remedial action by management (Group annual anti-bribery and inducements report);

10.3.5 Review annual reports related to internal controls and risk management systems produced by the Group's Internal Audit function and the Group's External Auditors to receive assurance that the Groups' internal financial controls systems that identify, assess, manage and monitor financial risks and other internal control and risk management systems are effective; and

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10.4 **Whistleblowing**

10.4.1 Review and challenge the adequacy, effectiveness and security of the Group's arrangements, policies and procedures for the protection of its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and annually review and recommend the Group's Whistleblowing policy to the Boards for approval. Each Committee shall ensure that these arrangements provide protection against the detrimental treatment of individuals who raise concerns and allow proportionate, autonomous and independent investigation of such matters and appropriate follow up action;

10.4.2 Ensure that any such whistleblowing matter is properly investigated as required under the Group Whistleblowing policy and relevant regulatory requirements; and

10.4.3 On an annual basis review a report from the Group's Head of Conduct and Compliance which enables each Committee to analyse any concerns raised via the Group's Whistleblowing reporting mechanisms.

10.5 **Internal Audit**

10.5.1 Review and approve the Internal Audit function's role and mandate through reviewing and approving the Internal Audit charter, in particular reviewing and ensuring the function has the necessary resources and access to information to enable it to fulfil its mandate, has unrestricted scope and is equipped to perform in accordance with appropriate professional standards for internal auditors;

10.5.2 Ensure the Group Chief Internal Auditor has direct access to the chairs of the Boards and to the Chairs of each Committee, and is accountable to each Committee;

10.5.3 Ensure that the Internal Audit function has a reporting line that enables it to be independent of the executive and so able to exercise independent judgement;

10.5.4 Review, challenge and assess the annual internal audit work plan, including its alignment to the key risks of the business, and the reasons for any significant change or delay to this plan;

10.5.5 Ensure that the Group's Internal Audit function evaluates the effectiveness of the risk, compliance and finance functions as part of its internal audit plan;

10.5.6 Receive reports on the results of the Group's Internal Audit Function's work, together with findings and recommendations for improvement, ensuring the Boards of the Entities are made aware of significant issues;

10.5.7 Review and monitor management's responsiveness to the Group Chief Internal Auditor's findings and recommendations;

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10.5.8 Commission an independent, third-party review of the effectiveness and processes of the Group Internal Audit function at least every five years;

10.5.9 Meet with the Group's Chief Internal Auditor at least once a year without the presence of management and include discussion of the effectiveness of the Group Internal Audit Function;

10.5.10 Each Chair to provide input to the objectives for and review the performance of the Group Chief Internal Auditor, including making recommendations on their remuneration to the Group Remuneration Committee as appropriate;

10.5.11 Make recommendations to the Nominations and Governance Committee, and the Group Board on the appointment and removal of the Group Chief Internal Auditor; and

10.5.12 Support each Chair in safeguarding the independence of, overseeing the performance of, and monitoring and annually reviewing the effectiveness of, the Group's Internal Audit Function, in the context of the Group's overall risk management system and in accordance with SYSC 6.2 (Internal Audit). The annual effectiveness review should determine whether the quality, experience and expertise of the Internal Audit Function is appropriate.

10.6 **External Audit**

10.6.1 Oversee the external audit arrangements of the Group, including approving the fee and scope of the external audit, inputting into the external audit tender process managed by the Group, and making formal recommendations to the Boards in accordance with applicable legislation, in relation to the appointment, re-appointment and removal of the External Auditor;

10.6.2 If any or all of the Boards do not accept each Committee's recommendation, it should include in the annual report, and in any papers recommending appointment or re-appointment, a statement from each Committee explaining the recommendation and should set out reasons why each Committee has taken a different position;

10.6.3 ensure that at least once every ten years the audit services contract is put out to tender;

10.6.4 develop and oversee the selection process for the appointment of the audit firm in accordance with applicable Corporate Code and regulatory requirements, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;

10.6.5 review and make recommendations to each Board, to be put to members for approval at their respective Annual General Meetings, in relation to the appointment, reappointment and removal of the External Auditors;

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10.6.6 if an auditor resigns, investigate the issues leading to this and decide whether any action is required;

10.6.7 oversee the relationship with the External Auditor including (but not limited to):

10.6.7.1 approving recommendations on their remuneration, including both fees for audit and non-audit services (in accordance with the policy on the supply of non-audit services);

10.6.7.2 approval of their terms of engagement (including any engagement letter issued at the start of each audit and the scope of the audit) and ensuring that the key partner assignment is rotated at appropriate intervals;

10.6.7.3 assessing and reviewing annually their independence and objectivity in accordance with applicable legislation taking into account relevant professional and regulatory requirements;

10.6.7.4 agreeing with each Board a policy on the employment of former employees of the External Auditor, and monitoring the implementation of this policy;

10.6.7.5 monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Group compared to the overall fee income of the firm, office and partner and other related requirements;

10.6.7.6 assessing 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; and

10.6.7.7 seeking to ensure co-ordination of the External Auditor with the activities of the Group's Internal Audit Function;

10.6.8 evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the External Auditor's communications with each Committee;

10.6.9 meet regularly with the External Auditor and at least once a year, without management being present to discuss the external auditor's remit and any issues arising from the audit;

10.6.10 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;

10.6.11 review the findings of the audit with the External Auditor. This shall include but not be limited to, the following:

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10.6.11.1 a discussion of any major issues which arose during the audit;

10.6.11.2 how risks to audit quality were addressed;

10.6.11.3 the External Auditor's view of their interactions with senior management;

10.6.11.4 key accounting and audit judgements;

10.6.11.5 levels of errors identified during the audit (which shall include a report from the external auditor on their own internal quality procedures); and

10.6.11.6 the effectiveness of the audit process.

Each Committee shall also:

10.6.12 review any representation letter(s) requested by the External Auditor and recommend their signing to their Boards;

10.6.13 review the management letters for the Entities and management's response to the External Auditor's findings, and monitor the implementation of recommendations where appropriate; and

10.6.14 agree and monitor the policy on the supply of non-audit services by the External Auditor specifying the types of non-audit service for which use of the External Auditor is pre-approved and the requirement to authorise provision of any non-audit services by the External Auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter. Reporting of the use of non-audit services should include those subject to pre-approval.

11. REPORTING RESPONSIBILITIES

11.1 The Chairs shall report formally to each Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to each Board on how it has discharged its responsibilities.

11.1.1 Each Committee shall make whatever recommendations to each Board it deems appropriate on any area within its remit where action or improvement is needed.

11.1.2 Group Board Audit Committee only: shall compile a report on its activities to be included in the Group's annual report. The report should describe the work of the Committee, including:

11.1.2.1 the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed;

11.1.2.2 an explanation of how the Committee has addressed the independence and effectiveness of the external audit

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process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;

11.1.2.3 an explanation of how auditor independence and objectivity are safeguarded if the external auditor provided non-audit services, having regard to matters communicated to it by the auditor; and

11.1.2.4 in compiling the report referred to above, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but should include at least those matters that have informed the Group Board's assessment of whether the Group is a going concern and the inputs to the viability statement.

12. OTHER MATTERS

The Committees shall:

12.1 consider how the matters for which it is responsible could impact customers, including creating good customer outcomes and mitigating customer harm;

12.2 if necessary, assist the Senior Management Function ("**SMF**") role holders of the Committee in fulfilling their prescribed responsibilities;

12.3 where matters are being discussed in relation to a prescribed responsibility of the Committee, ensure the relevant SMF role holder attends and participates in the discussion, or if unable to attend, ensure that they are suitably represented;

12.4 have access to sufficient resources in order to carry out its duties, including access to Company Secretariat for assistance as required;

12.5 give due consideration to laws, regulations, the requirements of the UK Corporate Governance Code, UK Listing Authority's Rules, the Disclosure and Transparency Rules and any other applicable competent authority, regulation or guidance, as appropriate.

12.6 work and liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls being delegated to the respective Risk Committees; and

12.7 arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Boards.

13. AUTHORITY

The Committees are authorised to:

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13.1 seek any information required from any employee of the Group in order to perform its duties;

13.2 commission and oversee any review or investigation of activities which are within its terms of reference;

13.3 engage any firm of accountants, lawyers, or other professionals, as the Committee sees fit, to provide independent advice and to assist in any review or investigation of such matters within its terms of reference as deemed appropriate, at the Group's expense;

13.4 delegate responsibilities to other committees to facilitate the effective carrying out of its responsibilities; and

13.5 have the right to publish in the Group and Bank's annual reports details of any issues that cannot be resolved between each Committee and its Board.

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