AUDIT COMMITTEE TERMS OF REFERENCE

May 2022

1. Membership

1.1 The committee shall comprise a committee chair and at least two other members, each of whom shall be appointed by the board following the recommendation of the nomination committee and, wherever applicable, in prior consultation with the chair of the audit committee.

1.2 All members of the committee shall be independent, non-executive directors.

1.3 At least one member of the audit committee shall have significant, recent and relevant financial experience and with competence in accounting and/or auditing and the committee as a whole shall have competence relevant to the sector in which the company operates.

1.4 The chair of the board shall not be a member of the committee but will be invited to attend meetings at the discretion of the committee chair.

1.5 Appointments to the committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the relevant director remains independent at all times.

1.6 The company secretary or their nominee shall act as the secretary of the committee.

2. Meetings

2.1 The committee shall meet formally at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. Meetings shall be organised so that attendance is maximised and with the intent of timetabling them to coincide with board meetings.

2.2 A meeting of the committee may be called by any member of the committee or by the secretary. The external auditors may request a meeting if they consider that one is necessary.

2.3 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 to each committee member, and other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

2.4 The quorum necessary for the transaction of business by the committee shall be two members. 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.

2.5 Only members of the committee have the right to attend committee meetings, however, the chair of the board, chief executive, finance director, general counsel & company secretary and the head of internal audit, together with a representative of the external auditors will normally be in attendance at all meetings. At the invitation of the committee any internal auditor, other board member or member of management may be invited to attend all or part of any meeting as and when appropriate.

2.6 In the absence of the committee chair, the remaining members present shall elect one of their number to chair the meeting.

2.7 At least once annually the committee may convene a meeting, or part thereof, with the external auditors without executive board members present to discuss their remit and any issues arising from the audit.

2.8 The secretary shall minute the proceedings and resolutions of all committee meetings, including recording the names of those present and in attendance. Draft minutes of committee meetings shall be circulated promptly by the secretary to all committee members and, once agreed, to the Board, unless, exceptionally, it would be inappropriate to do so.

2.9 The committee chair shall attend the company's annual general meeting to answer (through the chair of the board) shareholder questions on the committee's activities and responsibilities. In addition, the

committee chair is available to discuss with shareholders any significant matters raised by them in relation to the committee's areas of responsibility.

3. Duties

The committee should have oversight of the group as a whole and, unless required otherwise by regulation, carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

Financial Reporting:

3.1 The committee shall monitor the integrity of the company's financial statements, including its annual and half yearly reports, preliminary announcements and any other formal announcement relating to its financial performance, and review and report to the board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor.

3.2 In particular, the committee shall review and challenge where necessary:

3.2.1 the application of significant accounting policies and any changes to them;
3.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
3.2.3 whether the company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the views of the external auditor on the financial statements;
3.2.4 the clarity and completeness of disclosure in the company's financial reports and the context in which statements are made; and
3.2.5 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.

3.3 The committee shall review any other statements requiring board approval which contain financial information first, where to carry out a review prior to board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook.

3.4 Where the committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the board.

Narrative reporting:

3.5 Where requested by the board, the committee should review the content of the annual report and financial statements 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 and whether it informs the board's statement in the annual report on these matters that is required under the UK Corporate Governance Code ("the Code").

Internal Controls and Risk Management Systems:

The committee shall:

3.6 keep under review the adequacy and effectiveness of the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems; and

3.7 review and approve the statements to be included in the annual report concerning internal controls, risk management and the viability statement.

Compliance, Whistleblowing and Fraud:

The committee shall:

3.8 review the adequacy and security of the company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

3.9 review the group's procedures for detecting fraud;

3.10 review the group's systems and controls for the prevention of bribery and receive reports on non-compliance; and

3.11 review regular reports from the Money Laundering Reporting Officer, and the adequacy and effectiveness of the group's anti-money laundering systems and controls.

Internal Audit:

The committee shall:

3.12 approve the appointment or termination of the head of the internal audit function;

3.13 review and approve the role and mandate of the internal audit function, monitor and review the effectiveness of its work, and annually approve the charter of the internal audit function ensuring it is appropriate for the current needs of the organisation.

3.14 review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out.

3.15 ensure that the internal audit function has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;

3.16 ensure the internal auditor has direct access to the chair of the board and to the committee chair, providing independence from the executive and accountability to the committee;

3.17 carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:

- 3.17.1 meet with the head of internal audit without the presence of management to discuss the effectiveness of the function;
- 3.17.2 review and assess the annual internal audit work plan;
- 3.17.3 receive a report on the results of the internal auditor's work;
- 3.17.4 determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and
- 3.17.5 review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;

3.18 monitor and assess the role and effectiveness of the internal audit function in the overall context of the group's overall context of the group's risk management system and the work of compliance, finance and the external auditor; and

3.19 consider whether an independent, third party review of processes is appropriate.

External Audit:

The committee shall:

3.20 consider and make recommendations to the board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the company's external auditor. If an external auditor resigns, the committee shall investigate the issues leading to this and decide whether any action is required;

3.21 ensure that at least once every ten years the audit services contact is put out to tender to enable the committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;

3.22 oversee the relationship with the external auditor including (but not limited to):

3.22.1 approve their remuneration, including both fees for audit or non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
3.22.2 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
3.22.3 assessing annually their independence and objectivity taking into account relevant UK law, regulation, the Ethical Standard and other professional requirements and the group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats including the provision of any non-audit services;
3.22.4 satisfy itself that there are no relationships between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
3.22.5 agree with the board a policy on the employment of former employees of the company's auditor, taking into account the Ethical Standard and legal requirements, and monitor the application of this policy;
3.22.6 monitor the auditor's processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of the audit partner and staff;
3.22.7 monitor the level of fees paid by the company to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of legal, professional and regulatory requirements, guidance and the Ethical Standard;
3.22.8 assess annually the qualifications, expertise and resources of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
3.22.9 seek to ensure co-ordination of the external audit with the activities of the internal audit function; and
3.22.10 evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the committee;

3.23 meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit:

3.24 discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team; and

3.25 review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:

3.25.1 a discussion of any major issues which arose during the audit;
3.25.2 the auditor's explanation of how the risks to audit quality were addressed;

3.25.3 key accounting or audit judgements;
3.25.4 the auditor's view of their interactions with senior management; and
3.25.5 level of errors identified during the audit.

The committee shall also:

3.26 review any representation letter(s) requested by the external auditor before it is (they are) signed by management;

3.27 review the management letter and management's response to the auditor's findings and recommendations;

3.28 review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the committee; and

3.29 develop and recommend to the board the company's formal policy of the provision of non-audit services by the external auditor, including prior approval of non-audit services by the committee and specifying the types of non-audit services to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements and auditor objectivity and independence, taking into account any relevant ethical and regulatory guidance in this regard.

4. Reporting Responsibilities

4.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the board on how it has discharged its responsibilities. This report shall include:

4.1.1 the significant issues that it considered in relation to the financial statements (required under paragraph 3.1) and how these were addressed;
4.1.2 its assessment of the effectiveness of the external audit process (required under paragraph 3.21.8), the approach taken to the appointment or reappointment of the external auditor, length of audit firm, when a tender was last conducted and advance notice of any retendering plans; and
4.1.3 any other issues on which the board has requested the committee's opinion;

4.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed;

4.3 The committee shall compile a report on its activities to be included in the company's annual report. The report should describe the work of the committee, including an explanation of how the committee has addressed the effectiveness of the external audit process; the significant issues that the committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor; and all other information requirements set out in the Code; and

4.4 In the compiling the reports referred to in 4.1 and 4.3, 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 board's assessment of whether the company is a going concern and the inputs to the board's viability statement. The report to shareholders need not repeat information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

5. Other matters

The committee shall:

5.1 have access to sufficient resources in order to carry out its duties, including access to the Group Secretariat for assistance as required;

5.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and an ongoing basis for all members;

5.3 give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;

5.4 be responsible for oversight of the co-ordination of the internal and external auditors;

5.5 oversee any investigation of activities which are within its terms of reference;

5.6 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 different committees; and

5.7 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 to the board for approval.

6. Authority

The committee is authorised:

6.1 to seek any information it requires from any employee of the group in order to perform its duties;

6.2 to obtain, at the company's expense, outside legal, accounting or other professional advice on any matter within its terms of reference;

6.3 to call any employee to be questioned at a meeting of the committee as and when required; and

6.4 to have the right to publish in the company's annual report details of any issues that cannot be resolved between the committee and the board.

May 2022