



## GREENCORE GROUP PLC

*(‘Greencore’, the ‘Company’, or ‘Group’)*

### **Audit and Risk Committee**

#### *Terms of Reference*

It was resolved that, pursuant to the powers contained in the Company’s Articles of Association, a committee of the Board be established by the Board, to be known as the Audit and Risk Committee (the ‘Committee’).

#### **1. Membership**

- 1.1. The Committee shall consist of a minimum of three independent non-executive directors. At least one member of the Committee shall have recent and relevant financial experience and the Committee, as a whole, shall be competent in the sector within which the business operates.
- 1.2. The Chair of the Board shall not be a member of the Committee.
- 1.3. Membership of the Committee shall be appointed by the Board on the recommendation of the Nomination and Governance Committee, following consultation with the Chair of the Committee.
- 1.4. The Board shall appoint the Chair of the Committee (the ‘Committee Chair’).
- 1.5. In the absence of the Committee Chair for a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting.
- 1.6. Appointments to the Committee shall be for a period of three years, which may be extended for up to two further three year periods, provided that the Board remains satisfied that the relevant Committee member(s) remain(s) independent.
- 1.7. Only Committee members shall be entitled to attend the meetings of the Committee, however, the Chief Executive Officer, the Chief Financial Officer, the Group Financial Controller, the Head of Risk Management and the Group Head of Legal and Compliance, together with any other individuals the Committee deems appropriate, may attend upon invitation.
- 1.8. Representatives from the Group’s external audit firm (the ‘External Auditor’) shall be invited to attend Committee meetings on a regular basis.

#### **2. Committee Secretary**

The Company Secretary, or their nominee, shall act as the Secretary of the Committee. The Secretary of the Committee is responsible for ensuring that the Committee receives information and papers in a timely manner to allow full and proper consideration to be given to issues.

#### **3. Quorum**

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

#### **4. Frequency of Meetings**

The Committee shall meet not less than four times per year at appropriate intervals in the financial reporting and audit cycle, and otherwise as required. Outside of the formal meeting programme, the Committee Chair shall maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer, the Chief Financial Officer, the Head of Risk Management, and the lead partner of the External Auditor.

#### **5. Notice of Meeting**

Meetings of the Committee shall normally be convened by the Committee Secretary, at the request of the Committee Chair.

The notice of each Committee meeting, together with an agenda of items to be discussed at the Committee meeting, shall normally issue to each Committee member, and meeting attendees, not less than five working days before the Committee meeting is scheduled to occur.

#### **6. Minutes of Meetings**

The Committee Secretary shall minute the proceedings and decisions of all Committee meetings. The draft minutes of Committee meetings shall be circulated to all members of the Committee. Thereafter, the minutes shall normally also be circulated to the Board unless, in exceptional circumstances, circulation would be deemed to be inappropriate.

#### **7. Engagement with Shareholders**

The Committee Chair shall attend the Company's Annual General Meeting to answer any queries in relation to the Committee's activities in the year under review. In addition, if deemed appropriate, the Committee Chair may seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

#### **8. Duties of the Committee**

Without limiting the generality of the Committee's objectives, the duties of the Committee shall include:

##### **8.1. Financial Reporting**

The Committee shall monitor the integrity and quality of disclosures of the financial statements of the Company, which shall be deemed to include the full year results, interim results, trading updates and any formal announcements relating to the Company's financial performance, and review and report to the Board on significant financial reporting issues and judgements contained therein, having regard to matters communicated to the Committee by the Risk Management Group or the External Auditor.

In addition to the above, the Committee shall review, consider and, where appropriate, challenge:

- 8.1.1. The application of accounting policies, including any changes thereto.
- 8.1.2. Compliance with accounting standards.
- 8.1.3. Methods used to account for significant or unusual transactions where different approaches are possible.
- 8.1.4. Whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the External Auditor's views on the financial statements.
- 8.1.5. All material information presented with the financial statements, including the strategic report and the corporate governance statements in relation to risk management, internal controls and the external audit.

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.

### *8.2. Narrative Reporting*

Upon request from the Board, the Committee shall provide advice on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, position, business model and strategy.

### *8.3. Internal Controls and Risk Management Systems*

The Committee shall:

- 8.3.1. Keep under review the Company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems.
- 8.3.2. Conduct an annual assessment and report to the Board on:
  - 8.3.2.1. the nature and extent of the principal and emerging risks facing the Group;
  - 8.3.2.2. the design, operation and monitoring by management of internal control systems;
  - 8.3.2.3. the going concern statement and the viability statement; and
  - 8.3.2.4. the Group Treasury Policy and Group Tax Strategy.
- 8.3.3. Review arrangements by which colleagues or any third parties may, in confidence, raise concerns about possible improprieties or wrongdoing in financial reporting or any other matter. In this regard, it shall be the objective of the Committee to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow up action.
- 8.3.4. Receive Fraud/ Bribery and Corruption Reports at least annually, or more often as appropriate.

### *8.4. Risk Management Group/ Internal Audit*

The Committee shall:

- 8.4.1. Monitor and review the effectiveness of the Group's risk management and internal audit function (the 'Risk Management Group').
- 8.4.2. Approve the appointment or termination of appointment of the Head of Risk Management.
- 8.4.3. Ensure that the Risk Management Group is of the quality, and has the appropriate experience and expertise, required.
- 8.4.4. Ensure that the Risk Management Group has the necessary resources and access to information to allow it to fulfil its duties effectively and efficiently and is equipped to perform in accordance with appropriate professional standards.
- 8.4.5. Review and approve the annual risk management plan, ensuring that the plan is aligned to the key risks of the business, and to monitor progress against plan.
- 8.4.6. Meet with the Head of Risk Management, absent management, at least annually and ensure that he or she has direct and independent access to the Committee Chair and Board Chair in order to provide independence from the management and enhance accountability to the Committee.
- 8.4.7. Regularly review and approve the internal audit charter.
- 8.4.8. Make arrangements for an independent quality assessment of the internal audit function to take place at least once every five years.

### *8.5. External Audit*

The Committee shall:

- 8.5.1. Make recommendations to the Board, for it to put to the shareholders for their approval in a general meeting, in relation to the appointment, re-appointment or removal of the External Auditor.
- 8.5.2. Develop and oversee the selection criteria for the appointment and rotation of the External Auditor in accordance with relevant legislation, regulation, ethical standards and best practice.

The Committee shall also be responsible for leading the External Auditor tender process, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process.

- 8.5.3. Oversee the relationship between the Company and the External Auditor. In particular, the Committee shall be responsible for approving the external audit fees and terms of engagement of the External Auditor including any engagement letter issued at the start of each audit and the scope of the audit.
- 8.5.4. Undertake an annual assessment of the External Auditor's independence and objectivity, taking into consideration relevant legislation, regulation, ethical standards and best practice as well as the External Auditor's internal policies on independence and objectivity. In considering the External Auditor's independence and objectivity, the Committee shall also give consideration to the Group's relationship with the External Auditor as a whole, including any threats to the External Auditor's independence and the safeguards applied to mitigate those threats.
- 8.5.5. Evaluate the risks to the quality and effectiveness of the financial reporting process in light of the External Auditor's engagement with the Committee.
- 8.5.6. Review, at least annually, for recommendation to the Board, the Group's policy on the employment of former employees of the External Auditor.
- 8.5.7. Review, at least annually, for recommendation to the Board, the Group's policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant legislation, regulation, ethical standards and best practice regarding the provision of non-audit services by the External Auditor. The level of non-audit fees incurred shall be reviewed by the Committee at least annually.
- 8.5.8. Review and approve the annual external audit plan, discussing with the External Auditor the factors which may impact audit quality.
- 8.5.9. Meet regularly with the External Auditor, including once at the planning stage before the commencement of the external audit and once following the conclusion of the external audit.
- 8.5.10. Meet the External Auditor at least once a year, without management being present, to discuss its remit and any issues arising from the audit.
- 8.5.11. Review the findings of the external audit with the External Auditor, including:
  - 8.5.11.1. any material issues which arose as part of the external audit;
  - 8.5.11.2. the External Auditor's explanation of how the risks to audit quality were addressed;
  - 8.5.11.3. the key accounting and audit judgements;
  - 8.5.11.4. the External Auditor's view of engagement with senior management personnel; and
  - 8.5.11.5. the level of errors identified during the external audit.
- 8.5.12. Review the Letters of Representation and Management Letters, as well as responses thereto.
- 8.5.13. Perform an annual review of the effectiveness of the External Auditor and the external audit process, including an assessment of the quality of the audit, the handling of key judgements by the External Auditor, and the External Auditor's response to questions raised by the Committee.

#### *8.6. Reporting Obligations*

The Committee shall:

- 8.6.1. Through the Committee Chair, shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and also how it has discharged its responsibilities.

- 8.6.2. Include a report in the Company's Annual Report and Financial Statements on its activities in the year under review (the 'Audit and Risk Committee Report'). The Audit and Risk Committee Report shall include details of:
- 8.6.2.1. any significant issues that the Committee considered in relation to the financial statements and how these were addressed;
  - 8.6.2.2. how the Committee assessed the external audit process;
  - 8.6.2.3. how auditor independence and objectivity are safeguarded, including details of any non-audit services provided;
  - 8.6.2.4. the Company's approach to the appointment or reappointment of the External Auditor, including details of the length of tenure of the current External Auditor, when a tender was last conducted and details of any retendering plans. In the event that the Board has not accepted the Committee's recommendations on the External Auditor's appointment, re-appointment or removal, the Annual Report and Financial Statements shall include a statement explaining the Committee's recommendation and the reason why a different position has been taken by the Board;
  - 8.6.2.5. how the Committee's performance for the year under review has been evaluated; and
  - 8.6.2.6. any issues which were not capable of being resolved between the Board and the Committee, if inclusion in the Annual Report is deemed appropriate by the Committee.

## **9. *Miscellaneous***

- 9.1. Upon appointment to the Committee, each Committee member will undergo a structured induction programme.
- 9.2. The Committee will undertake regular development and shall be kept up to date on all relevant corporate reporting and regulation developments.
- 9.3. The Committee shall review annually its Terms of Reference and recommend any necessary changes to the Board.
- 9.4. The Committee's effectiveness shall be reviewed annually and reported upon to the Board.
- 9.5. The Committee shall be entitled, at the Company's cost, to obtain external legal, or other independent professional, advice.
- 9.6. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties and call any employee to be questioned at a meeting of the Committee as and when required.
- 9.7. The Committee shall also be responsible for dealing with any other matter which the Board may refer to it.

***Reviewed and Revised May 2021***

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