



# **GREENCORE GROUP PLC**

## **(the 'Company' or 'Group')**

### **Audit Committee**

#### **Terms of Reference**

It was resolved that, pursuant to the powers contained in the Article 83 of the Company's Articles of Association, a committee of the Board be established by the Board, to be known as the Audit Committee (the 'Committee').

The Committee, which shall consist of a minimum of three independent non-executive directors, any two of whom shall be a quorum, shall meet not less than three times per year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. Outside of the formal meeting programme, the Chair of the Committee will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chairman, the Chief Executive Officer, the Chief Financial Officer, the Head of Risk Management, and the External Audit lead partner.

#### **1. Duties:**

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

- a) To monitor the integrity of the financial statements of the Company, including its full year results, interim results, trading updates and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them;
- b) To review any changes to accounting policies and compliance with accounting standards;
- c) To review the methods used to account for significant or unusual transactions where different approaches are possible;
- d) To review the Company's internal financial controls and the Company's internal control and risk management systems;
- e) To monitor and review the effectiveness of the Company's risk management (internal audit) function including (i) ensuring that the function is of the quality, and has the appropriate experience and expertise, required; and (ii) approving the appointment or termination of appointment of the head of risk management;
- f) To 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;
- g) To meet with the Head of Risk Management, absent management, at least annually and ensure that he or she has direct access to the Committee Chairman and Board Chairman;
- h) To regularly report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken;
- i) To make recommendations to the Board, for it to put to the shareholders for their approval in general

meeting, in relation to the appointment of the External Auditor and to approve the remuneration 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;

- j) To assess and report to the Board on the qualification, expertise and resources of the External Auditor;
- k) To review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- l) To monitor the External Auditor's internal policies on independence and objectivity, including its policies on the rotation of the lead audit partner;
- m) To develop, for Board approval, a policy on the employment of former employees of the External Auditor;
- n) To develop and implement policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; currently the Group shall not engage the External Auditor to provide any non-prohibited non-audit services without the prior written consent of both the Audit Committee and the Chief Financial Officer. Additionally, the total fees for non-audit services paid to the External Auditor shall be limited to no more than 70% of the average of the fees paid in the last three consecutive financial years for the Group;
- o) To review and approve the annual external audit plan;
- p) To meet regularly with the External Auditor, including once at the planning stage before the audit and once after the audit to review findings of the audit;
- q) To meet the External Auditor at least once a year without management being present, to discuss their remit and any issues arising from the audit;
- r) To review the Letters of Representation and Management Letters;
- s) To make arrangements for the external audit to be put to tender at least every ten years;
- t) To review annually its Terms of Reference and its own effectiveness and recommend any necessary changes to the Board;
- u) To review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. 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;
- v) To assist the Board in meeting its obligations under the Corporate Governance Code and in particular to review reports from specialist functions (such as on health and safety processes, environment matters, cyber risk and legal and compliance issues) and conduct an annual assessment and make a report to the Board on:
  - the nature and extent of principal and emerging risks facing the Group;
  - the design, operation and monitoring by management of internal control systems;
  - the going concern statement and the viability statement;
  - the Group Treasury policy; and
  - the accuracy and frequency of reports from management to the Board, and whether they give a balanced assessment of the principal and emerging risks and the effectiveness of the system of internal control in managing those risks.
- w) To deal with any other matter which the Board may refer to the Committee;
- x) Through the Committee Chair, to 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;
- y) To review and approve 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 audit; and
- z) 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, business model and strategy.

## 2. General

- a) At least one member of the Committee shall have recent and relevant financial experience;
- b) The Committee, as a whole, shall be competent in the sector within which the business operates;
- c) Upon appointment to the Committee, the Committee member will undergo an induction programme;
- d) The Committee will be kept up to date on all relevant corporate reporting and regulation developments;
- e) 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 Committee member remains independent;
- f) 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;
- g) The External Auditor will be invited to attend Committee meetings on a regular basis;
- h) The Company Secretary, or their nominee, shall act as the Secretary of the Committee;
- i) 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;
- j) The Committee will include a report in the Company's Annual Report on its activities in the year under review.
- k) The Audit Committee Report shall include details of:
  - Any significant issues that the Committee considered in relation to the financial statements and how these were addressed;
  - An explanation on how the Committee assessed the external audit process;
  - Details on how the Committee monitored the independence and objectivity of the External Auditor;
  - Details of 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; and
  - Details on how the Committee's performance for the year under review has been evaluated;
- l) The Chairman of the Committee shall attend the Company's Annual General Meeting to answer any queries in relation to the Committee's activities in the year under review;
- m) The Committee shall be entitled, at the Company's cost, to obtain external legal, or other independent professional advice; and
- n) The Committee will at least annually review its own performance along with its Terms of Reference.

***Reviewed May 2020***

