

# **MJ GLEESON PLC**

**Company No: 9268016**

## ***Audit Committee Terms of Reference authorised by resolution of the Board of Directors passed on 8 July 2025***

References to ‘the Company’ shall mean MJ Gleeson PLC

References to ‘the Committee’ shall mean the Audit Committee.

References to ‘the Board’ shall mean the Board of Directors.

### ***1. Membership***

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chair of the Audit Committee. The Committee shall be made up of at least two members.
- 1.2 All members of the Committee shall be independent Non-Executive Directors at least one of whom shall have recent and relevant financial experience and the Committee as a whole shall have competence relevant to the sector in which the Company operates. The Chair of the Board shall not be a member of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Board, Chief Executive Officer, Chief Financial Officer, other Executive Directors, and representatives from the business may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The external auditors will be invited to attend meetings of the Committee on a regular basis.
- 1.5 Appointments to the Committee shall be for a period of up to three years, which may be extended at the Board’s discretion.
- 1.6 The Board shall appoint the Committee Chair who shall be an independent Non-Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.7 Each member of the Committee shall disclose to the Committee:
  - 1.7.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
  - 1.7.2 any potential conflict of interest arising from a cross-directorship.
- 1.8 Any such member shall abstain from voting on any resolutions of the Committee in relation to where such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the Board) shall resign from the Committee.

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

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

**3. *Quorum***

- 3.1 The quorum necessary for the transaction of business 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.

**4. *Frequency of Meetings***

- 4.1 The Committee shall meet formally at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.
- 4.2 Outside of the formal meeting programme, the Committee Chair will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chair, the Chief Executive Officer, the Chief Finance Officer, the external audit lead partner, and the head of internal audit (or other key internal audit personnel).

**5. *Notice of Meetings***

- 5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.
- 5.2 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 member of the Committee, any 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 to enable full and proper consideration to be given to issues.

**6. *Minutes of Meetings***

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 Draft minutes of Committee meetings shall be agreed with the Chair and then circulated promptly to all members of the Committee and, once agreed, made available to all members of the Board.

**7. *Annual General Meeting***

- 7.1 The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair should, as appropriate, be available for engagement with shareholders on significant matters related to the Committee's areas of responsibility.

**8. *Duties***

The Committee should perform the duties below for the Company, major subsidiary undertakings, and the Group as a whole, as appropriate, and in doing so should have due regard to its duty to promote the success of the Company for the benefit of its members as a whole and the matters set out in section 172 (A) to (F) of the Companies Act 2006.

### **8.1 Financial and Non-Financial Reporting**

8.1.1 The Committee shall monitor the integrity of the financial statements of the Company, including its Annual Report and Accounts, interim statements, preliminary results' announcements, and any other formal announcement relating to its financial performance, reviewing, and reporting to the Board significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the external auditor. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.

8.1.2 The Committee shall review and challenge where necessary:

- 8.1.2.1 the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Company and Group;
- 8.1.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
- 8.1.2.3 whether the Company and Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- 8.1.2.4 the clarity and completeness of disclosure in the Company's and Group's financial reports and the context in which statements are made;
- 8.1.2.5 all material information presented with the financial statements, including, where relevant, information in the strategic report, and the corporate governance report;
- 8.1.2.6 the assessment of and recommendations to the Board on whether the Company is a going concern and its viability statement; and
- 8.1.2.7 significant balance sheet movements.

8.1.3 The Committee shall monitor the integrity of non-financial reporting (including TCFD and SASB disclosures) in the Annual Report and Accounts.

### **8.2 Narrative Reporting**

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 and Group's performance, business model and strategy.

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

The Committee shall:

- 8.3.1 have oversight of the Group's risk management framework, processes, and systems, and monitor these and, at least annually, carry out a review of their effectiveness, and review and recommend to the Board that it approves any statements to be included in the Annual Report and Accounts regarding the effectiveness of risk management;
- 8.3.2 ensure that a robust assessment of the principal and emerging risks facing the company has been undertaken (including those risks that would threaten its business model,

future performance, solvency, or liquidity) and consider the management and mitigation of those risks;

- 8.3.3 oversee and advise the Board on the Group's current risk exposure, risk appetite, and future risk strategy considering, at least annually, how the remuneration of executives shapes their view on risk;
- 8.3.4 review and monitor the Group's internal controls systems and, at least annually, carry out a review of their effectiveness, and review and recommend to the Board that it approves any statements to be included in the Annual Report and Accounts on the effectiveness of internal controls with such statements to be in accordance with the provisions of the UK Corporate Governance Code as applicable to the Company ; and
- 8.3.5 keep under review the effectiveness of the Company's Disclosure Policy and oversee compliance with the same.

#### **8.4     *Whistleblowing and Fraud***

The Committee shall:

- 8.4.1 review the adequacy and security of the Company's and Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and receive details of whistleblowing claims that have been made. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 8.4.2 review the Company's and Group's procedures for detecting and preventing fraud; and
- 8.4.3 review the Company's and Group's systems and controls for the prevention of bribery and receive reports on non-compliance.

#### **8.5     *Internal Audit***

The Committee shall:

- 8.5.1 monitor and review the effectiveness of the Company's internal audit function in the context of the Company's and Group's overall risk management and conduct an annual assessment of the internal audit function;
- 8.5.2 Where relevant, approve the appointment and removal of the head of the internal audit function;
- 8.5.3 consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function/mandate effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
- 8.5.4 review and assess the annual internal audit plan;
- 8.5.5 review promptly all reports on the Company from the internal auditors;
- 8.5.6 review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and

- 8.5.7 meet the head of internal audit (or other key internal audit personnel) at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits conducted. In addition, the head of internal audit has the right of direct access to the Chair of the Board and to the Committee.

## **8.6 External Audit**

The Committee shall:

- 8.6.1 consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- 8.6.2 ensure that at least once every ten years, and in compliance with all relevant legislation the audit services contract 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, ensuring that there is appropriate market diversity, that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process and that all published audit quality indicators are considered.
- 8.6.3 oversee the relationship with the external auditor including (but not limited to):
- 8.6.3.1 approval of their remuneration, whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
  - 8.6.3.2 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - 8.6.3.3 assessing annually their independence and objectivity taking into account relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
  - 8.6.3.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business);
  - 8.6.3.5 agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
  - 8.6.3.6 monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements; and
  - 8.6.3.7 assessing annually their qualifications, expertise and resources and the effectiveness and quality of the audit process which shall include a report from the external auditor on their own internal quality procedures;
  - 8.6.3.8 seeking to ensure co-ordination with the activities of the internal audit function and, as appropriate, seek feedback from key stakeholders on the audit process; and
  - 8.6.3.9 evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of the auditor from the market in that evaluation.
- 8.6.4 meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their

remit and any issues arising from the audit;

- 8.6.5 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, and following completion of the audit receive, and review, a report from the external auditor on any changes to the plan;
- 8.6.6 review the findings of the audit with the external auditor. This shall include but not be limited to, the following;
  - 8.6.6.1 a discussion of any major issues which arose during the audit
  - 8.6.6.2 key accounting and audit judgements
  - 8.6.6.3 levels of errors identified during the audit, and
  - 8.6.6.4 the effectiveness of the audit
- 8.6.7 review any representation letter(s) requested by the external auditor before they are signed by management;
- 8.6.8 review the management letter and management's response to the auditor's findings and recommendations; and
- 8.6.9 develop and implement a policy on the supply of non-audit services, to avoid any threat to auditor objectivity and independence taking into account any relevant ethical guidance on the matter.

## **8.7 *Reporting Responsibilities***

- 8.7.1 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 confirm how it has discharged its responsibilities. This report shall include:
  - 8.7.1.1 The significant issues that it considered in relation to the financial statements (required under paragraph 8.1.1) and how these were addressed;
  - 8.7.1.2 Its assessment of the effectiveness of the Group's risk management and internal controls;
  - 8.7.1.3 Its assessment of the effectiveness of the external audit process (required under paragraph 8.6.6.4) and its recommendation on the appointment or reappointment of the external auditor; and
  - 8.7.1.4 Any other issues on which the Board has requested the Committee's opinion.
- 8.7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 8.7.3 The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report and Accounts. The report should include 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 external auditor, and all other information requirements set out in the UK Corporate Governance Code;
- 8.7.4 In compiling the reports referred to in 8.7.1 and 8.7.3, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant including those matters that have informed the Board's assessment of whether the Company is a going concern. The report to shareholders need not repeat information disclosed elsewhere in the Annual Report and Accounts but

could provide cross-references to that information.

## **8.8     *Other Matters***

The Committee shall:

- 8.8.1   have access to sufficient resources in order to perform its duties, including access to the company secretariat for assistance as required;
- 8.8.2   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;
- 8.8.3   give due consideration to laws and regulations (including without limitation the requirements set out in section 172 (a) to (f) of the Companies Act 2006), the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing, Prospectus and Disclosure, Guidance and Transparency Rules and any other applicable rules as appropriate;
- 8.8.4   be responsible for co-ordination of the internal and external auditors;
- 8.8.5   oversee any investigation of activities which are within its terms of reference and function as a court of the last resort;
- 8.8.6   work and liaise as necessary with all other Board Committees and
- 8.8.7   at least once a year, review its own performance, constitution, and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board of approval.

## **9.     *Authority***

The Committee is authorised:

- 9.1     to seek any information it requires from any employee of the Company and Group in order to perform its duties;
- 9.2     to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference;
- 9.3     to call any employee to be questioned at a meeting of the Committee as and when required; and
- 9.4     to have the right to publish in the Company's Annual Report and Accounts details of any issues that cannot be resolved between the Committee and the Board.