

Robinson plc

Terms of reference
for the Audit and Risk Committee

Dated 19 November 2020

Robinson plc (the “Company”)

Terms of Reference for the Audit and Risk Committee

1) Constitution

The committee has been established by a resolution of the board of directors of the Company (the “Board”) and is to be known as the Audit & Risk Committee (the “Committee”).

2) Membership

2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee in consultation with the chairman of the Committee. The Committee shall be made up of at least two members. A majority of the members of the Committee shall be independent non-executive directors of the Company at least one of whom shall have recent relevant financial experience.

2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate.

2.3 The external auditors of the Company shall be invited to attend meetings of the Committee on a regular basis.

2.4 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. Appointment to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

2.5 The Board shall appoint the chairman of the Committee, who shall be an independent non-executive director, and shall not be the Chairman of the Board. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

2.6 Membership of the Committee shall be noted in the annual Directors’ report of the Company.

3) Secretary

The Group Finance Director or his/her nominee shall act as the secretary of the Committee who will ensure the Committee receives information and papers in a timely manner to enable full and proper consideration of the issues.

4) Quorum

4.1 The quorum necessary for the transaction of business shall be two members and it is preferable for any quorum to include a member with recent and relevant financial experience. 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.

4.2 Meetings may be held by telephone.

4.3 Each member of the Committee shall have one vote. In the event of an equality of votes, the Chairman of the Committee shall have a second or casting vote. In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

5) Frequency of meetings

The Committee shall meet at least three times in each financial reporting period, normally prior to the interim and annual results announcements and during the external audit planning stage, and at such

other times as the chairman of the Committee shall require. The external auditors may request a meeting if they consider that one is necessary.

6) Notice of meetings

- 6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members, or at the request of the external auditor or internal audit function (if applicable) if they consider it necessary.
- 6.2 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.

7) Minutes of meetings

- 7.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 7.2 The secretary of the Committee shall ascertain, at the beginning of each Committee meeting, the existence of any conflicts of interest and ensure that it is dealt with in accordance with Article 113 of the Company and the Companies Act 2006. Note, however, that the responsibility for declaring any conflict of interest rests with the director.
- 7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board.

8) Annual General Meeting

The chairman of the Committee shall attend the AGM prepared to respond to any shareholder questions on the Committee's activities.

9) Authority

- 9.1 The Committee is authorised by the Board to investigate and undertake any activity within its terms of reference. It shall have unrestricted access to the auditors, is authorised to seek any information it properly requires from any director, employee or professional adviser of the Company and all directors, employees and professional advisers are directed to co-operate with any request made by the Committee.
- 9.2 The Committee is authorised by the Board to obtain outside legal, accounting or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.

10) Duties

The Committee shall carry out the duties below for the Company, major subsidiary undertakings and the group, as appropriate.

10.1 Financial reporting

- 10.1.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual and interim reports and accounts, announcements of preliminary results and any other formal announcement relating to its financial performance, reviewing and challenging significant financial reporting issues and judgments which they contain. 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.

10.1.2 The Committee shall review and challenge where necessary:

- a. the consistency of, and any changes to, accounting policies, both on a year-on-year basis and across the group;
- b. the methods used to account for significant or unusual transactions where different approaches are possible;
- c. whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, considering the views of the external auditor;
- d. the clarity of disclosure in the Company's financial reports and the context in which statements are made;
- e. the going concern assumption; and
- f. all material information presented with the financial statements, such as the strategic report and any corporate governance statement (insofar as it relates to the audit and risk management).

10.1.3 The Committee shall review the annual financial statements of the pension funds, where not reviewed by the Board as a whole.

10.1.4 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.

10.2 Internal controls and risk management systems

The Committee shall:

10.2.1 keep under review the adequacy effectiveness of the Company's internal controls and risk management systems, covering all material controls, including financial, operational and compliance controls, and the Company's procedures for the identification, assessment, management and reporting of risks, including emerging risks; and

10.2.2 review and approve any statements to be included in the Company's annual report and accounts concerning internal controls and risk management.

10.3 Compliance, Whistleblowing and Fraud

The Committee shall:

10.3.1 review the Company's arrangements for its employees 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;

10.3.2 review the Company's procedures for detecting fraud;

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

10.3.4 review annually the Company's policies and procedures in respect of distributions, distributable reserves, tax and treasury matters.

10.4 External audit

The Committee shall:

- 10.4.1 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 or removal of the 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 their resignation and decide whether any action is required;
- 10.4.2 oversee the relationship with the external auditor, including (but not limited to):
 - a. 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;
 - b. approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - c. assessing annually their independence and objectivity considering relevant professional and regulatory requirements and the relationship with the external auditor, including the provision of any non-audit services;
 - d. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);
 - e. agreeing with the Board a policy on the employment of former employees of the external auditor, then monitoring the implementation of this policy;
 - f. monitoring the external 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
 - g. assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process, which shall include a report from the external auditor on their own internal quality procedures;
- 10.4.3 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 the executive management being present, to discuss their remit and any issues arising from the audit;
- 10.4.4 review and approve the annual external audit plan and ensure that it is consistent with the scope of the audit engagement;
- 10.4.5 review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
 - a. a discussion of any major issues which arose during the audit;
 - b. any accounting and audit judgments;
 - c. levels of errors identified during the audit;
 - d. the auditor's explanation of how the risks to audit quality were addressed;
 - e. the auditors view of their interactions with senior management; and
 - f. the effectiveness of the audit;

- 10.4.6 review any representation letter(s) requested by the external auditor before they are signed by the executive management;
- 10.4.7 review the executive management letter and executive management's response to the external auditor's findings and recommendations; and
- 10.4.8 develop and implement a policy on the supply of non-audit services by the external auditor, considering any relevant ethical guidance on the matter.

10.5 Other matters

The Committee shall:

- 10.5.1 have access to enough resources to carry out its duties, including access to the Company secretariat for assistance as required;
- 10.5.2 be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members;
- 10.5.3 give due consideration to laws and regulations, and the provisions of the QCA corporate governance code and any other applicable rules, as appropriate;
- 10.5.4 be responsible for co-ordination of the internal and external auditors; and
- 10.5.5 oversee any investigation of activities which are within its terms of reference and act as a court of last resort.

11) Reporting responsibilities

- 11.1 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3 The Committee may produce an annual report to shareholders on its activities, which will form part of the Company's annual report and accounts.

12) Self-appraisal

- 12.1 The Committee shall, 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 for approval.