



## Audit Committee (the "Committee") Terms of Reference

### Bunzl plc (the "Company")

#### **1. Membership**

- 1.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. At least one member 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 of the Company (the "Board") shall not be a member of the Committee.
- 1.2 Members of the Committee shall be appointed by the Board, on the recommendation of the Company's Nomination Committee, in consultation with the Chair of the Committee. Appointments shall be for a period of up to three years, which may be extended for additional three-year periods, provided members continue to be independent.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, the Chief Financial Officer, Head of Internal Audit and Risk, Group Financial Controller and External Audit Lead Partner will be invited to attend meetings of the Committee on a regular basis and other individuals may be invited to attend all or part of any meeting, as and when appropriate.
- 1.4 The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or their appointed delegate at a Committee meeting, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position by the Board.

#### **2. Secretary**

The Company Secretary, or their appointed delegate, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable 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**

- 4.1 The Committee shall meet at least three times a year at appropriate intervals in the financial 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 Financial Officer, the Company Secretary, the Group Financial Controller, the External Audit Lead Partner and the Head of Internal Audit and Risk.

#### **5. Notice of meetings**



- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any of the Committee's members, or at the request of the External Audit Lead Partner or Head of Internal Audit and Risk 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 and any other person required to attend no later than five 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. The Committee Chair shall develop and set the Committee's agenda, in consultation with the Company Secretary, management and, if appropriate, the external auditors.

## **6. Minutes of meetings**

- 6.1 The Company Secretary, or their appointed delegate, shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 Directors shall declare the existence of any conflicts of interest at the beginning of each meeting and the Secretary shall ensure that said declarations are included in the minutes of the meeting.
- 6.3 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board and the Company Secretary unless, exceptionally, it would be inappropriate to do so.

## **7. Engagement with shareholders**

The Committee Chair, or in their absence their appointed delegate, should attend the Company's Annual General Meeting to answer any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **8. Duties**

In undertaking the duties outlined below, the Committee shall have regard to the requirements set out in the Financial Reporting Council's ("FRC's") Audit Committees and the External Audit: Minimum Standard (the "Minimum Standard").

### **8.1 Financial reporting**

The Committee shall:

- monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, preliminary announcements and any other formal statements relating to its financial performance, 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 external auditors;



- review and challenge where necessary:
  - (i) the application of significant accounting policies and any changes to them;
  - (ii) the methods used to account for significant or unusual transactions where different approaches are possible;
  - (iii) whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditors' views on the financial statements;
  - (iv) the clarity and completeness of disclosures in the financial statements and the context in which statements are made; and
  - (v) 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;
- 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 regulations including the Financial Conduct Authority's ("FCA's") UK Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules;
- keep under review assurance activities in respect of both financial and non-financial reporting matters; and
- where it is not satisfied with any aspect of the proposed financial reporting by the Company, report its views to the Board.

## 8.2 Narrative reporting

Where requested by the Board, the Committee should review the content of the Company's annual report and accounts (the "Annual Report") 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 2024 (the "Code").

The Committee shall review and challenge, where necessary, non-financial reporting measures, including non-financial Key Performance Indicators, for inclusion in the Annual Report.

## 8.3 Internal controls and risk management systems

The Committee shall:

- keep under review the effectiveness of the Company's risk management and internal control framework, including all material controls, risk management systems, and other key financial, operational, reporting, compliance, and other controls;
- review and approve the material controls framework;
- consider any material controls deemed not to have operated effectively at the



balance sheet date and the actions taken or proposed to improve them and any action taken to improve previously identified issues;

- review and recommend to the Board for approval:
  - (i) the annual declaration of effectiveness of material controls as at the balance sheet date; and
  - (ii) the description of any material controls which have not operated effectively as at the balance sheet date, the actions taken or proposed to improve them and any action taken to improve previously identified issues,  
in line with Provision 29 of the UK Corporate Governance Code 2024;
- review any proposed changes to the Company's Material Controls Policy, for recommendation to the Board for approval; and
- keep under review the assurance procedures over controls designed to manage key risks and approve the annual assurance plan.

#### 8.4 Internal audit

The Committee shall:

- approve the appointment, remuneration (in practice the responsibility for remuneration will be a role normally delegated to the Chair of the Committee) and the termination of appointment of the Head of Internal Audit and Risk;
- review and approve the role and mandate of the Internal Audit function, monitor and review the effectiveness of its work, and annually approve the Internal Audit Charter ensuring it is appropriate for the current needs of the Company;
- 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;
- ensure that the Internal Audit function has an 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 the Internal Audit Plan, and ensure that the Internal Audit function is equipped to perform in accordance with the appropriate professional standards for internal auditors;
- ensure the Head of Internal Audit and Risk has direct access to the Board Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee;
- carry out an annual assessment of the effectiveness of the Internal Audit function and as part of this assessment:
  - (i) meet with the Head of Internal Audit and Risk without the presence of management to discuss the effectiveness of the function;
  - (ii) review and assess the annual Internal Audit Plan;
  - (iii) receive a report on the results of the Internal Audit function's work;
  - (iv) determine whether it is satisfied that the quality, experience and expertise of the Internal Audit function is appropriate for the business; and



- (v) review the actions taken by management to implement the recommendations of the internal audit and to support the effective working of the Internal Audit function;
- review the Internal Audit programme and resources and the results of internal audits undertaken during the year, as well as the effectiveness of the Internal Audit function, on an ongoing basis;
- monitor and assess the role and effectiveness of the Internal Audit function in the overall context of the Company's risk management system and the work of the Finance function and the external auditors; and
- consider whether an independent, third party review of processes is appropriate.

## 8.5 External Audit

The Committee shall:

- 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 auditors;
- initiate and supervise competitive tender processes for the external audit as may be required in line with applicable legislation and develop and oversee the selection procedure for the appointment of the external audit firm in accordance with applicable Code and regulatory requirements, including the FRC's Minimum Standard, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;
- if the external auditors resign, investigate the issues leading to this and decide whether any action is required;
- oversee the relationship with the external auditors. In this context the Committee shall:
  - (i) approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and
  - (ii) approve their terms of engagement, including any engagement letter issued at the start of each external audit and the scope of the external audit;
- assess annually the external auditors' independence and objectivity taking into account relevant law, regulation, the FRC's Revised Ethical Standard 2024 (the "Ethical Standard") and other professional requirements and the Group's relationship with the auditors as a whole, including any threats to the auditors' independence and the safeguards applied to mitigate those threats including the provision of any non-audit services;
- satisfy itself that there are no relationships between the external auditors and the Company (other than in the ordinary course of business), which could adversely affect the external auditors' independence and objectivity;
- monitor the external auditors' processes for maintaining independence, its



compliance with relevant law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of the audit partner and staff;

- assess annually the qualifications, expertise and resources, and independence of the external auditors and the effectiveness of the external audit process, which shall include a report from the external auditors on their own internal quality procedures;
- seek to ensure coordination of the external audit with the activities of the Internal Audit function;
- evaluate the risks to the quality and effectiveness of the financial and non-financial reporting processes;
- develop and recommend to the Board the Company's formal policy on the provision of non-audit services by the external auditors, including prior approval of non-audit services by the Committee and specifying the types of non-audit service to be preapproved. The policy should include consideration of the following matters:
  - (i) threats to the independence and objectivity of the external auditors and any safeguards in place;
  - (ii) the nature of the non-audit services;
  - (iii) whether the external audit firm is the most suitable supplier of the non-audit service;
  - (iv) the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
  - (v) the criteria governing compensation;
- meet regularly with the external auditors (including at least once at the planning stage before the audit and at least once after the audit at the reporting stage) and, at least once a year, meet with the external auditors without management being present, to discuss the external auditors' remit and any issues arising from the external audit;
- discuss with the external auditors the factors that could affect audit quality and review and approve the annual External 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;
- review the findings of the external audit with the external auditors. This shall include but not be limited to, the following:
  - (i) a discussion of any major issues which arose during the external audit;
  - (ii) the external auditors' explanation of how the risks to audit quality were addressed;
  - (iii) key accounting and audit judgements;
  - (iv) the external auditors' view of their interactions with senior management; and
  - (v) levels of errors identified during the external audit;
- review any representation letter(s) requested by the external auditors before it is (they are) signed by management;



- review the management letter and management's response to the external auditors' findings and recommendations; and
- review the effectiveness of the external audit process, including an assessment of the quality of the external audit, the handling of key judgements by the auditors, and the external auditors' response to any questions from the Committee.

## **9. Reporting responsibilities**

9.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also report to the Board on how it has discharged its responsibilities. This report may include matters such as:

- the significant issues that it considered in relation to the financial statements and how these were addressed;
- the Committee's assessment of the effectiveness of the external audit process, the approach taken to the appointment or reappointment of the external auditors, the length of tenure of the external audit firm, when a tender was last conducted and advance notice of any retendering plans;
- any information required to assist the Board in the fulfilment of its own duties with regard to internal controls and risk management, including, but not limited to, information on:
  - (i) the monitoring of the Company's risk management and internal controls framework and the annual review of the effectiveness thereof, covering all material controls, risk management systems, and other key financial, operational, reporting, compliance, and other controls;
  - (ii) the declaration of effectiveness of the Company's material controls as at the balance sheet date, as required to be included in the Company's Annual Report;
  - (iii) any material controls that are not operating effectively as at the balance sheet date and any actions taken or proposed to be taken to improve them and any previously reported issues;
  - (iv) supporting statements to be included in the Annual Report concerning internal controls, risk management, the assessments of principal and emerging risks, the procedures in place to identify and manage emerging risks, and the viability statement;
  - (v) the Company's systems and controls for the prevention of bribery and money laundering and non-compliance therewith;
  - (vi) the Committee's oversight of the Company's procedures for detecting fraud, which are ultimately a Board responsibility;
  - (vii) the adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters, including assurance that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
  - (viii) the Committee's oversight of the Company's cyber and information security systems and environmental, social and governance reporting, which are ultimately Board responsibilities;
- any matters in respect of which the Committee considers that action or



improvement is needed and recommendations as to the steps to be taken; and

- any other issues on which the Board has requested the Committee's opinion.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.3 The Committee, or their appointed delegate, 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:

- the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed;
- a description of how the Committee has, on behalf of the Board, monitored and reviewed the effectiveness of the risk management and internal controls framework, including the declaration of effectiveness of the material controls as at the balance sheet date;
- in respect of the matters set out in FRC's Minimum Standard;
- an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditors, information on the length of tenure of the current external audit firm, when a tender was last conducted and advance notice of any retendering plans; and
- an explanation of how the external auditors' independence and objectivity are safeguarded if the external auditors provide non-audit services, having regard to matters communicated to it by the external auditors and all other information requirements set out in the Code.

9.4 In compiling the reports referred to in 9.1 and 9.3, 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 but could provide cross-references to that information.

## **10. Other matters**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for advice and assistance as required;
- 10.2 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;
- 10.3 give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the FCA's UK Listing Rules, Prospectus



Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;

- 10.4 be responsible for oversight of the coordination of the internal and external auditors;
- 10.5 oversee any investigation of activities which are within these Terms of Reference;
- 10.6 work and liaise as necessary with all other Board committees ensuring that 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;
- 10.7 ensure that an annual review of the Committee's performance is carried out and that such review is externally facilitated at least once every three years;
- 10.8 at least annually, review its constitution and these Terms of Reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.9 make available these Terms of Reference and describe its work in a distinct section of the Annual Report.

## **11. Authority**

The Committee is authorised to:

- 11.1 seek any information it requires from any employee of the Company in order to perform its duties;
- 11.2 obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter if it believes it necessary to do so;
- 11.3 call any employee to be questioned at a meeting of the Committee as and when required; and
- 11.4 have the right to publish in the Annual Report, details of any issues that cannot be resolved between the Committee and the Board. If the Board has not accepted the Committee's recommendation on the external auditors' appointment, reappointment or removal, the Annual Report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.

Approved by the Board on 10 December 2025 and effective from 1 January 2026