

NEWRIVER REIT PLC (“the Company”)

Terms of Reference of the Audit Committee

(Adopted by Committee on 12 August 2016, amended 28 January 2020 and 9 February 2021)

1. Purpose

The purpose of the Audit Committee (“the Committee”) is to provide formal and transparent arrangements for considering how to apply the financial reporting and internal control principles set out in The UK Corporate Governance Code (“the Code”) and to maintain an appropriate relationship with the Company’s auditors.

2. Constitution and Membership

2.1 The Committee has been established as a committee of the Board of Directors (“Directors”) of the Company (the “Board”) by resolution of the Board.

2.2 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee. The Committee shall comprise at least three independent Non-Executive Directors. At least one member of the Committee should have recent and relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies. The Committee as a whole should have competence relevant to the sector in which the Company operates.

2.3 The Chairman of the Committee, who shall be a Non-Executive Director, shall be appointed by the Board. In the absence of the Chairman of the Committee, the members present shall select one of their number present (other than the Chairman of the Company if he is a member of the Committee) to chair the meeting.

2.4 The Company Secretary shall act as the Secretary of the Committee.

2.5 Each member of the Committee shall disclose to the Committee:

2.5.1 any personal financial or other interest in any matter to be decided by the Committee; or

2.5.2 any potential conflict of interest arising from a cross-directorship or otherwise; and

any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

2.6 Appointments to the committee shall be for a period of up to three years extendable by no more than two additional three-year periods, provided the member continues to meet the criteria for membership of the Committee.

3. Attendance

3.1 The Committee shall invite a representative of the external auditors to attend all or some of the meetings of the Committee. The Committee should have at least one meeting, or part of a meeting, with the external auditors without management being present.

NEWRIVER REIT PLC (“the Company”)

3.2 The Committee may request the Chairman of the Board, the Chief Executive, the Finance Director and any relevant senior management to attend meetings of the Committee, either regularly or by invitation, but such invitees have no right of attendance.

4. Frequency of Meetings, and proceedings

4.1 The Committee will meet at least three times each year, having regard to the Company’s financial reporting cycle, and at such other times as the Chairman of the Committee shall think fit.

4.2 Meetings of the Committee will be arranged to tie in with the publication of the Company’s financial statements.

4.3 The external auditors or the internal auditors may (through the Chairman of the Committee) request a meeting of the Committee if they consider that one is necessary.

4.4 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any member.

4.5 Unless otherwise agreed by all members of the Committee, notice of meetings, confirming the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member of the Committee and to any other person required to attend.

4.6 The quorum for meetings of the Committee shall be two members. Meetings may be held by telephone and by written resolution.

4.7 Outside of the formal meeting programme, the Committee Chairman will maintain a dialogue with key individuals involved in the Company’s governance, including the Board Chairman, the Chief Executive, the Chief Financial Officer, the external audit lead partner and the head of internal audit (if one has been appointed).

4.8 Decisions of the Committee will be made by majority vote. In the event of an equality of votes, the Chairman of the Committee will not have a second or casting vote.

5. Reporting

5.1 Sufficient time should be allowed after Committee meetings for the Committee to report to the Board on the nature and content of discussion, on recommendations, and on actions to be taken. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee.

5.2 The Committee or its Chairman shall meet with the Board at least once each year to report formally on all matters within its duties and responsibilities, including but not limited to the Annual Report and the relationship with the external auditors.

5.3 The Committee shall make whatever recommendations to the Board that it deems appropriate in the context of the scope of its responsibilities.

5.4 The Committee shall prepare a report each year to be included in the Company’s Annual Report and Accounts.

NEWRIVER REIT PLC (“the Company”)

- 5.5 The Chairman of the Committee should be present at the Company’s annual general meeting to respond to questions on matters within the responsibility of the Committee. In addition the Committee Chair should seek engagement with shareholders on significant matters related to the Committee’s areas of responsibility.

6. Duties

The duties of the Committee are:

Describing the work of the Audit Committee

- 6.1.1 The Code requires that a separate section of the Company’s Annual Report describe the work of the Audit Committee in discharging its responsibilities. Such report should include the following:
- 6.1.1.1 a summary of the role of the Audit Committee;
 - 6.1.1.2 the names and qualifications of all members of the Committee during the period;
 - 6.1.1.3 the number of Committee meetings;
 - 6.1.1.4 the significant issues considered in relation to the financial statements, and how these issues were addressed;;
 - 6.1.1.5 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 auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;
 - 6.1.1.6 in the case of the Board not accepting the Committee’s recommendation on the external auditor appointment, reappointment or removal, a statement from the Committee explaining its recommendation and reasons why the board has taken a different position;
 - 6.1.1.7 where there is no internal audit function, an explanation for the absence, how internal assurance is achieved, and how this affects the work of external audit; and
 - 6.1.1.8 an explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services.

6.2 Whistleblowing and Fraud

- 6.2.1 to review the Company’s arrangements, and the security of such arrangements, for its Directors, employees (including employees of group companies of which the Company forms part (the “Group”)) and contractors to raise concerns, in confidence and – if they wish - anonymously about possible wrongdoing in financial reporting or other matters and receive regular reports on cases raised. The Committee will report to the Board on the effectiveness of the arrangements and the

NEWRIVER REIT PLC ("the Company")

issues raised through these arrangements at least twice a year;

- 6.2.2 to review the Company's procedures for detecting fraud; review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;

6.3 Financial Statements

- 6.3.1 to monitor, in discussion with the auditors, the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results' announcements and any other formal announcements relating to the Company's financial performance, and reviewing and reporting to the Board on significant financial reporting issues and judgments contained in them, having regard to matters communicated by the auditors;
- 6.3.2 the Committee is also required, under the Code, to provide advice, when requested by the Board, on whether the Annual and half yearly Report and accounts (as well as other public reports and reports to regulators) when taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess performance, business model and strategy. This is to ensure that the narrative and financial sections of the report are consistent; to keep under review the consistency of accounting policies, both on a year-to-year basis and across the Group;
- 6.3.3 to review and challenge where necessary the Company's financial statements, before submission to the Board, taking into account, in particular:
 - 6.3.3.1 critical accounting policies and practices, and any changes in them;
 - 6.3.3.2 decisions requiring a major element of judgement;
 - 6.3.3.3 the extent to which the financial statements are affected by any unusual transactions or circumstances and the methods used to account for such transactions;
 - 6.3.3.4 the clarity of disclosure in the Company's financial reports and the context in which statements are made;
 - 6.3.3.5 all material information presented with the financial statements, and the corporate governance statement (in so far as it relates to the audit and risk management);
 - 6.3.3.6 significant adjustments resulting from the audit;
 - 6.3.3.7 the going concern assumption (including any material uncertainties identified, supporting cashflow analysis and funding options) and consider whether there are any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of the approval of those accounts.;
 - 6.3.3.8 compliance with accounting standards; and

NEWRIVER REIT PLC ("the Company")

- 6.3.3.9 compliance with stock exchange and other regulatory and legal requirements.
- 6.3.4 to consider management's response to any major external or internal audit recommendations;
- 6.3.5 to review the annual financial statements of any pension funds to which the Company contributes for and on behalf of its employees, where not reviewed by the Board as a whole;
- 6.3.6 to report its views to the Board where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company;

6.4 Internal Control and Risk Assessment Systems

- 6.4.1 to keep under review the effectiveness of the Company's internal financial controls and internal control and risk management systems,; ensuring that a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity and reputation has been carried out at least annually.
- 6.4.2 to review and approve the statements to be included in the Annual Report concerning internal controls and risk management, where not reviewed by the Board as a whole;

6.5 Internal Audit

- 6.5.1 currently the Company does not have an internal audit function. As such, the Committee should consider annually whether there is a need for an internal audit function and make recommendations to the Board;
- 6.5.2 as and when an internal audit function has been established, the Committee should review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system. The remainder of this paragraph 6.5 assumes that the Company has established an internal audit function;
- 6.5.3 to consider applications for the post of and approve the appointment of the head of the internal audit function, and to approve any dismissal of that post holder;
- 6.5.4 to consider and approve the terms of reference of the internal audit function, to consider the planned programme of internal audits and the reasons for any changes or delays in the programme;
- 6.5.5 to ensure that the internal audit function is adequately resourced, and has appropriate standing in the Company and the Group, and has appropriate access to information to enable it to perform its function effectively, free from management and other restrictions, and in accordance with the relevant professional standards for internal auditors;
- 6.5.6 to ensure that the internal auditor has direct access to the Board Chairman and to the Committee Chairman and is accountable to the Committee;

NEWRIVER REIT PLC ("the Company")

- 6.5.7 to review the management of financial matters and the freedom allowed to the internal auditors;
- 6.5.8 to receive a report on the results of the internal auditor's work on a periodic basis;
- 6.5.9 to review promptly all reports on the Company or the Group from the internal auditors;
- 6.5.10 to review and monitor management's responsiveness to the internal auditor's findings and recommendations;
- 6.5.11 to meet the head of internal audit at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out, and give the head of internal audit the right of direct access to the Chairman of the Committee and the Committee;

6.6 External Audit

- 6.6.1 conducting the tender process and making recommendations to the Board to be put to Shareholders for approval at the Annual General Meeting, in relation to the appointment, reappointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
- 6.6.2 to monitor and review the external auditors' independence, objectivity and effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- 6.6.3 to oversee the selection process, consider and make recommendations to the Board in relation to the annual appointment and re-appointment of the Company's external auditors, at least every ten years; and to ensure that the key partners within the appointed firm are rotated every five years;
- 6.6.4 to meet with the external auditors at least twice each year, including at the audit planning stage, when the nature and scope of the audit, quality control procedures and steps taken by the auditors in response to regulatory and other requirements will be considered, and post audit at the reporting stage without management being present;
- 6.6.5 to review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - 6.6.5.1 a discussion of any major issues which arose during the audit,
 - 6.6.5.2 any accounting and audit judgements;
 - 6.6.5.3 levels of error identified during the audit; and
 - 6.6.5.4 the effectiveness of the audit;

NEWRIVER REIT PLC ("the Company")

- 6.6.6 to review any auditors' management letters and management's responses, before they are signed by management;
- 6.6.7 to keep under review the relationship with the external auditors including but not limited to:
 - 6.6.7.1 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 6.6.7.2 the consideration of audit fees which should be paid to enable an effective and high quality audit to be conducted, as well as any other fees which are payable to auditors in respect of non-audit activities;
 - 6.6.7.3 discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made in relation to the Company's internal auditing standards;
 - 6.6.7.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditors and the Company (other than in the ordinary course of business);
 - 6.6.7.5 agreeing with the Board a policy on the employment of former employees of the Company's auditors, then monitoring the implementation of this policy; and
 - 6.6.7.6 assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;
 - 6.6.7.7 monitoring their compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
 - 6.6.7.8 seeking to ensure co-ordination with the activities of the internal audit function (if applicable);
 - 6.6.7.9 evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of withdrawal of their auditor from the market in that evaluation; and
 - 6.6.7.10 if an auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 6.6.8 to develop and implement policy on the engagement of the external auditors to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance regarding the provision of non-audit services by the relevant external audit firm, specifying types of non-audit work:
 - 6.6.8.1 from which the external auditors are excluded;

NEWRIVER REIT PLC ("the Company")

6.6.8.2 for which the external auditors can be engaged without referral to the Committee; and

6.6.8.3 for which a case by case decision from the Committee is necessary.

6.6.9 The Committee will report to the Board on any improvement or action required and on how it has discharged its responsibilities relating to this area.

6.7 Other matters

6.7.1 to have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

6.7.2 to 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;

6.7.3 to give due consideration (as appropriate for a company whose securities are admitted to trading on the FTSE Main Market) to the requirements of the Listing Rules of the UK Listing Authority and the provisions of the Code, Prospectus Rules, Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and any other applicable rules, as appropriate;

6.7.4 to consider reporting requirements under the Code;

6.7.5 to co-ordinate the internal and external auditors;

6.7.6 to keep under review the non-audit function services provided by the external auditors of the Company and the fees payable by the Company for those services, including with a view to ensuring a balance between value for money and the maintenance of the external auditors' objectivity;

6.7.7 to oversee any investigation of activities which are within its terms of reference, and to act as a court of last resort; and

6.7.8 to review at least once a year the Committee's own performance, constitution and terms of reference, and make recommendations to the Board as necessary, to ensure that it is operating at maximum effectiveness.

7. Authority

7.1 The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.

7.2 The Committee is authorised to seek any information it requires from any Directors, officers or other employees from the Group from time-to-time and to call any member of staff to be questioned at a meeting of the Committee as and when required.

7.3 The Committee have the right to publish in the Company's Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

7.4 The Committee is authorised by the Board, at the Company's expense, to obtain

NEWRIVER REIT PLC ("the Company")

expert advice from the Company's auditors, professional advisers or otherwise, and to take independent professional advice and to require the attendance of outsiders with relevant experience and expertise if it considers it necessary.