Audit and Risk Committee

CONSTITUTION & AUTHORITY

1. The Audit and Risk Committee (Committee) is constituted as a Committee of the Board of Directors (Board) of James Fisher and Sons plc (Company or Group) in accordance with the Articles of Association of the Company.
2. The Committee has the delegated authority of the Board in respect of the functions, powers and responsibilities set out in these terms of reference.
3. The Committee is authorised by the Board to obtain, at the Company's expense, independent professional advice on any matters within its terms of reference, and to commission or purchase any reports, surveys or information which it deems necessary.
4. The Committee is authorised by the Board to seek any information it requires from management, and all employees are expected to cooperate with any request made by the Committee.
5. Committee members shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members on request or as deemed appropriate. In order to perform their role effectively, each Committee member shall obtain an understanding of the detailed responsibilities of the Committee as well as the Company's business operations and risks.

MEMBERSHIP

6. The Committee shall comprise at least three members, all of whom shall be independent non-executive directors and at least one of whom shall have recent and relevant financial experience. The Committee as a whole should have competence relevant to the sector in which the Company operates. Members of the Committee shall be appointed by the Board, on the recommendation of the Nominations Committee and in consultation with the Committee Chair.
7. 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. The Board Chair shall not be a member of the Committee.
8. 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 appropriate. Any non-executive director may attend all or part of a Committee meeting without invitation. The internal and external auditors shall be invited to attend meetings of the Committee.

SECRETARY

9. The Company Secretary or their nominee shall act as secretary of the Committee.

MEETING ADMINISTRATION

Quorum

10. The quorum necessary for the transaction of business shall be two members (whether in person or remotely).

Frequency of Meetings

11. The Committee shall meet at least four times a year and otherwise as required.

Notice of Meetings

12. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair or any of its members or at the request of external or internal auditors if they consider it necessary.
13. 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 in advance of the meeting.

Voting

14. Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting (whether in person or remotely).
15. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote on that matter at the meeting.
16. Except where they have a personal interest, the Committee Chair shall have a casting vote.

Minutes of Meetings

17. The secretary, or their nominee, shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
18. Minutes of Committee meetings shall be agreed by the Committee Chair and then circulated promptly to all members of the Committee and once agreed, to all members of the Board unless it would be inappropriate to do so.

DUTIES

19. The Committee must act in accordance with the applicable regulatory and legislative requirements, including the relevant UK Corporate Governance Code (Code) and shall:

Financial reporting

20. The Committee shall monitor the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results announcements, and any other formal announcement relating to its financial performance, and shall review significant financial reporting issues and judgements which they contain.
21. The Committee shall review and challenge where necessary:

    21.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company and Group;

    21.2 the methods used to account for significant or unusual transactions where different approaches are possible;

    21.3 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

    21.4 the clarity, completeness and appropriateness of disclosure in the Company's financial reports and the context in which statements are made; including the going concern statement and the viability statement to be made by the Board; and

    21.5 all material information presented with the financial statements, such as the strategic report and the corporate governance statement (insofar as it relates to the audit and risk management).

22. If the Committee is not satisfied with any aspect of the Company's proposed financial reporting it shall report its views to the Board.

Narrative reporting

23. The Committee shall 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 position, performance, business model and strategy.
24. The Committee shall monitor the integrity, accuracy and consistency of the Sustainability and ESG disclosures of the Group.

Internal control

25. The Committee shall monitor and review on an ongoing basis the effectiveness of the Group's internal control systems and receive from management reports and/or the internal auditor and/or external auditor any reports thereon.
26. The Committee shall monitor and review the Group's material internal controls including financial, operational and legal compliance controls and risk management systems, and consider reports from the management on the effectiveness of these material controls and the conclusion of any testing carried out by internal or external auditors.
27. The Committee shall consider the level of assurance it is receiving on the Group's internal control systems, including internal financial controls, and whether this is enough to assist the Board in satisfying itself that they are operating effectively.

Risk management

28. The Committee shall assist the Board which retains overall responsibility for risk with the definition and execution of a risk management strategy, risk policies and current risk exposures.
29. The Committee shall review the effectiveness of the Group's risk management framework on an ongoing basis and seek such assurance as it may deem appropriate that the risk management function is adequately resourced and has appropriate standing within the Company, with the risk management process being appropriately embedded into the Group and effectively operated.
30. The Committee shall ensure that a robust assessment of the emerging and principal risks facing the Company has been undertaken, including risks that would threaten the Company's business model, future performance, solvency or liquidity and reputation.
31. The Committee shall advise the Board on the Company's overall risk appetite, tolerance and strategy.

Internal Audit

32. The Committee shall review and approve the remit of the internal audit function and ensure it has the scope, resources and access to information to enable it to perform its responsibilities effectively and in accordance with the relevant professional standards. The Committee shall also ensure that the function has adequate standing and is free from management or other restrictions.
33. In the event that the internal audit function is provided by a third-party, the Committee shall approve their appointment or removal.
34. The Committee shall review and assess the annual internal audit plan to ensure it is aligned to the key risks of the business.
35. The Committee shall review promptly all reports issued by the internal auditors and at least twice a year discuss with the Chief Financial Officer the scope of the internal audit programme and any issues arising from the internal audits carried out

36. The Committee shall review, monitor and assess the effectiveness of the internal audit function and meet with the head of internal audit without the presence of management to discuss the effectiveness of the function.
37. The Committee shall consider management's responsiveness to the findings and recommendations of the internal auditor and whether these properly support the effective working of the internal audit function.

External audit

38. The Committee shall in accordance with the relevant laws and regulations in force from time to time:

    38.1 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 initiate and supervise the tender selection process for new auditors in line with the prevailing FRC guidance and Code requirements, and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required.

    38.2 ensure that the audit services contract is put out to tender at least once every ten years, or otherwise as appropriate or required, and that the auditor should serve for a maximum of twenty years.

    38.3 oversee the relationship with the external auditors including:

    38.3.1 negotiate and agree the statutory audit fee and the scope of the external audit ensuring that the level of fees is appropriate to enable an adequate audit to be conducted;

    38.3.2 discuss with the external auditor, before the audit commences, the nature and scope of the audit and to review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;

    38.3.3 approve their terms of engagement, including any engagement letter issued at the start of each audit;

    38.3.4 influence the appointment of the Audit engagement partner;

    38.3.5 assess annually their independence and objectivity taking into account relevant professional and regulatory standards and requirements, and the relationship with the external auditor as a whole, including the provision of any non audit services;

    38.3.6 satisfy 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) which could adversely affect the external auditor's independence and objectivity;

    38.3.7 monitor the auditor's compliance with relevant ethical and professional standards and guidance;

    38.3.8 assess annually the auditor's performance, qualifications, expertise and resources and the effectiveness of the audit process;

    38.3.9 provide information in the annual report on the length of tenure of the current audit firm and when a tender was last conducted; and

    38.3.10 issue a statement of compliance with the provisions of the Statutory Audit Services Order 2014, for inclusion in the annual report for each financial year.

39. 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.
40. The Committee shall review and approve the annual audit plan including significant areas of audit focus, planned levels of materiality and resources and ensure that it is consistent with the scope of the audit engagement.
41. The Committee shall review the findings and effectiveness of the audit with the external auditor and explain in the annual report how that process has been carried out. This shall include but not be limited to the following:
    - 41.1 a discussion of any major issues which arose during the audit;
    - 41.2 any accounting and audit judgements;
    - 41.3 levels of errors identified during the audit; and
    - 41.4 the effectiveness of the audit process.
42. The Committee shall review any representation letter(s) requested by the external auditor before they are signed by management.
43. The Committee shall review the management letter and management's response to the auditor's findings and recommendations.
44. The Committee shall approve and recommend to the Board annually the Company's policy in relation to the provision of non-audit services by the external auditor and keep the policy under review. The Committee shall ensure that the policy is appropriate and that the supply of such services does not impair auditor independence or objectivity, taking into account all relevant ethical standards and legal requirements.

Fraud

45. The Committee shall review the Group's procedures, systems and controls for the prevention and detection of fraud and ensure that arrangements are in place to investigate any such matters.

Investor engagement

46. The Committee Chair should be available for engagement with investors on significant matters related to the Committee's areas of responsibility and attend the annual general meeting to answer any shareholder questions on the Committee's activities.

Performance review

47. The Committee shall arrange for periodic reviews of its own performance and, at least annually, review its 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.

REPORTING

48. The Committee Chair shall report to the Board on its proceedings after each meeting, including the significant issues that it considered in relation to the financial statements and how these have been addressed, its assessment of the effectiveness of the external audit process and its recommendation on the appointment or re-appointment of the external auditors.
49. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
50. The Committee shall ensure that provisions regarding disclosure of information that apply to the Company are fulfilled, including that a report on its activities is included in the Company's annual report.

These Terms of Reference were last approved on: 10 March 2026