Crest Nicholson Holdings plc
Terms of Reference for the Audit and Risk Committee
Adopted by the Board 14 July 2026

1 Constitution

1.1 The board of directors (the **Board**) of Crest Nicholson Holdings plc (the **Company**, together with all its subsidiary undertakings, the **Group**) has resolved to establish and maintain a committee of the Board, to be known as the Audit & Risk Committee (the **Committee**).

1.2 The Committee is a committee of the Board as defined within the Company's Articles of Association. Its authority, powers and discretions are delegated to it by the Board as set out in these Terms of Reference. Amendment to these Terms of Reference requires the approval of the Board.

2 Membership

2.1 The Committee shall comprise at least three members, including one member of the Remuneration Committee. 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 (the **Chair**).

2.2 All members of the Committee shall be independent non-executive directors at least one of whom shall have recent and relevant financial experience and competence working with financial and accounting matters. The Committee as a whole shall have competence relevant to the sector in which the Company operates. The chair of the Board or any former executive director of the Company shall not be a member of the Committee.

2.3 Only members of the Committee have the right to attend Committee meetings. However, any other individuals such as the chair of the Board, the Chief Executive, the Group Finance Director, other directors, and representatives from the finance and other functions may be invited to attend for all or part of any meeting as and when appropriate.

2.4 The external auditor lead partner and head of the internal audit function will be invited to attend meetings of the Committee.

2.5 The Chair shall be an independent non-executive director, appointed by the Board. In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2.6 Members of the Committee shall be appointed by the Board for a period of up to three years. Such appointment may then be extended by no more than two additional periods of up to three years, provided the member continues to meet the criteria for membership of the Committee.

3 Secretary

3.1 The Company Secretary or his or her nominee shall act as the secretary of the Committee (the Secretary).

3.2 The Secretary shall attend all of its meetings and shall prepare and circulate to members and all other non-executive directors (and invitees as appropriate) all information and papers in a timely manner to enable them to be given full and proper consideration of the issues.

3.3 The Secretary shall also act as a co-ordinating intermediary between the Board and the Committee.

4 Quorum

4.1 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.

5 Meetings

5.1 The Committee shall meet at least three times a year at appropriate times in the reporting and auditing cycle and otherwise as required.

5.2 Any member of the Committee may request a meeting if he or she considers that one is necessary or expedient. The Committee shall also arrange to meet following a reasonable request to do so from the Company's external or internal auditors.

5.3 Sufficient time should be allowed to enable the Committee to undertake as full a discussion as may be required. A sufficient interval should be allowed between Committee meetings and main Board meetings to allow any work arising from the Committee meeting to be carried out and reported to the Board, where appropriate.

5.4 Outside of the formal meeting programme, the Chair, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the Company's governance.

6 Notice of Meetings

6.1 Meetings of the Committee shall be called by the Secretary at the request of the Chair or any of its members or at the request of the Company's external or internal auditor 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

meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6.3 Notices, agendas and supporting papers will be sent in electronic form unless the recipient has agreed to receive documents in another a way.

6.4 All reasonable efforts shall be made to give notice of meetings of the Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend.

7 Minutes of Meetings

7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

7.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chair.

8 Shareholder engagement

8.1 The Chair of the Committee, unless in extenuating circumstances, shall attend the Company's Annual General Meeting and be prepared to answer any shareholder questions on the Committee's activities. In addition the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

9 Duties

9.1 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a way it considers in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole. In addition, the Committee shall have the specific duties set out in this paragraph 9.

9.2 The Committee shall, ensure that the specific duties set out in this paragraph 9 are not inconsistent with any requirement for prompt reporting under the UK Listing Authority's Disclosure and Transparency Rules (the **DTRs**).

Internal Control and Risk Management Systems

9.3 The Committee shall:

(a) on behalf of the Board (which retains overall responsibility for risk management), review and monitor the Company's risk management system and, at least annually, carry out a

review of its effectiveness, and review and approve the statement to be included in the annual report concerning risk management;

(b) ensure that a robust assessment of the emerging and principal risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity) and provide advice on the management and mitigation of those risks;

(c) oversee and advise the Board on the current risk exposures of the Company and future risk strategy, including but not limited to business, financial and geopolitical risks, as well as cyber security risk, environmental and climate related risks and human rights risks;

(d) review the adequacy and effectiveness of the Company's processes and procedures to manage risk and the internal control framework, including the design, implementation and effectiveness of those systems;

(e) review the Company's capability to identify and manage new and emerging risk types and its ability to reduce the likelihood of principal risks materialising;

(f) review the Company's internal financial controls and internal control systems and, at least annually, carry out a review of its effectiveness, ensuring corrective action is taken when necessary and approve the statement to be included in the annual report concerning internal control;

(g) advise the Board on the financial risk aspects of proposed changes to strategy and strategic transactions including acquisitions or disposals, monitoring the due diligence appraisal undertaken by management, of the proposition, focusing in particular on implications for the risk appetite, tolerance and strategy of the Company, and taking independent external advice where appropriate and available.

Internal audit

9.4 The Committee shall:

(a) review and approve the role and mandate of internal audit, 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 Group;

(b) approve the appointment and removal of the head of the internal audit function;

(c) consider and approve the remit of the internal audit function;

(d) ensure that the internal audit function has unrestricted scope, adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards and ensure that the internal audit function has adequate standing and is free from management or other restrictions;

(e) review and monitor management's responsiveness to the findings and recommendations of the internal auditor;

(f) meet the head of the internal audit function at least once a year, without management being present, to discuss the remit of the internal audit function and any issues arising from the internal audits carried out. The Committee shall also ensure that the head of the internal audit function is given the right of direct access to the Chair and the chair of the Board, providing independence from the executive and accountability to the Committee;

(g) carry out an annual assessment of the effectiveness of the internal audit function, and as part of this assessment;

(h) meet with the head of internal audit without the presence of management to discuss the effectiveness of the function;

(i) review and assess the annual internal audit work plan;

(j) receive a report on the results of the internal auditor's work;

(k) determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the Group;

(l) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;

(m) review promptly all reports on the Company from the internal auditors; and

(n) consider whether an independent, third party review of processes is appropriate.

External audit

9.5 The Committee shall:

(a) consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, regarding the appointment and re-appointment of the Company's external auditor, as well as any questions relating to their resignation or removal;

(b) as part of an auditor tendering process, develop and oversee the selection procedure for the appointment of the audit firm in accordance with the applicable UK Corporate Governance Code and regulatory requirements, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process; and

(c) if an auditor resigns, investigate the issues leading to this and decide whether any action is required.

9.6 The Committee shall 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 ensure 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 taking into account relevant UK professional and regulatory requirements, the FRC Ethical Standard and the relationship with the auditor as a whole, including the provision of any non-audit services;

(d) ensuring that the provision of non-audit services does not impair the external auditor's independence or objectivity, satisfying itself that there are no relationships between the auditor and the Company outside the ordinary course of business (including the level of non-audit fees) that could adversely affect the auditor's independence and objectivity, or the audit process and keep the policy for the provision of non-audit services under review;

(e) seek reassurance from the external auditor and their staff that they have no relationships with the Company which could adversely affect the auditor's independence and objectivity and, at least annually, seek information from the external audit firm about policies and processes for maintaining independence and monitoring compliance;

(f) 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;

(g) seeking to ensure co-ordination with the activities of the internal audit function; and

(h) considering the risk of withdrawal of the Company's present external auditor from the market.

9.7 The Committee shall meet the external auditor regularly, 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.

9.8 The Committee shall review and approve the annual audit plan and ensure it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.

9.9 The Committee shall 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) the auditor’s explanation of how the risks to audit, accounting and audit judgments and levels of errors identified during the audit; and

(c) the auditor’s interactions with senior management.

9.10 The Committee shall obtain from the external auditor a memorandum describing such "relevant audit information" as may be required by the external auditor from time to time for the purposes of any statutory directors' statement in connection therewith, and institute such procedures as it sees fit to enable the directors to provide such statement.

9.11 The Committee shall review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor’s response to questions from the Committee.

9.12 The Committee shall also review any representation letter(s) requested by the external auditor before they are signed by management and review the management letter and management's response to the external auditor's findings and recommendations.

Financial Reporting

9.13 The Committee shall monitor the integrity of the financial statements of the Group, including its annual and half-yearly reports and any other formal statements and announcement relating to its financial performance, and review and report to the Board on significant financial reporting issues and judgements which they contain, having regard to matters communicated to it by the auditor.

9.14 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 Group has followed and adopted appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditors;

(d) the going concern assumption and the longer-term viability statement;

(e) compliance with legal and regulatory (in particular the requirements of the Financial Conduct Authority) requirements;

(f) the clarity of disclosure in the Group's financial reports and the context in which statements are made; and

(g) 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).

9.15 The Committee shall consider other topics relating to the audit of the financial systems or records of the Group, as determined by the Committee. 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.

Narrative Reporting

9.16 Where requested by the Board, 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 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.

Compliance, Whistleblowing and Fraud

9.17 The Committee shall:

(a) keep under review the adequacy and effectiveness of the Company's approach to compliance

(b) review the adequacy and security of the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Company shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

(c) review the Group's procedures for detecting fraud, the Group's systems and controls for the prevention of bribery, the adequacy and effectiveness the Company's anti-money laundering systems and controls and reports on non-compliance; and

(d) ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

10 Reporting Responsibilities

10.1 The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

10.3 The Committee shall compile a formal report to shareholders on its activities to be included in the Company's annual report. The report shall include:

- details of the Committee membership and activity, including the significant issues that the Committee has considered in relation to the financial statements;
- an explanation its assessment of the effectiveness of the external audit process and of how, if the external auditor provides non-audit services to the Group, auditor objectivity and independence is safeguarded; and

- information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans.

10.4 In compiling the above report, the Committee shall exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant but include at least those matters that have informed the Board's assessment of whether the Company is a going concern and the longer term viability statement.

10.5 The Committee shall make available to shareholders these Terms of Reference by placing them on the Company's website.

11 Other Matters

11.1 The Committee shall, at least annually, review its own performance, to ensure it is operating at maximum effectiveness.

11.2 The Committee shall, at least annually, review these Terms of Reference, and recommend any necessary changes to the Board for approval.

11.3 The Committee shall annually meet the external and internal auditors without management of the Company, to discuss matters relating to its remit and any issues arising from the audit.

11.4 The Committee shall have access to sufficient resources, including adequate information (provided by the Board on a proactive as well as a reactive basis) in order to carry out its duties, including access to the Company Secretary for assistance as required.

11.5 The Committee shall 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.

11.6 The Committee shall give due consideration to relevant laws and regulations, including the general duties of directors set out in the Companies Act 2006, the provisions of the UK Corporate Governance Code and requirements of the LRs, PRs and DTRs as appropriate.

11.7 The Committee shall be responsible for co-ordination of the internal and external auditors.

11.8 The Committee shall consider and review the findings of any tax advice on matters expected to have a material impact external tax advisor to the Company or any of its subsidiaries.

11.9 The Committee shall review the Company's policy in respect of tax planning.

11.10 The Committee shall oversee any investigation of activities which are within its Terms of Reference and act for internal purposes as a court of the last resort.

11.11 The Committee shall work and liaise as necessary with all other Board committees.

12 Authority

12.1 The Committee is authorised by the Board, at the Company's expense, to:

(e) investigate any activity within its Terms of Reference;

(f) seek any information it requires from any employee or director of the Group, or any

consultant or other provider of services to the Group, in order to perform its duties. All employees are directed to co-operate with requests for information made by the Committee, including requests to attend meetings of the Committee;

(g) have access to the services of the Company Secretary on all matters within these Terms of Reference;

(h) obtain at the Company's expense, outside legal or other independent professional advice on any matter within these Terms of Reference;

(i) secure the attendance of external advisers at its meetings;

(j) call any employee to be questioned at a meeting of the Committee as and when required; and

(k) have the right to publish in the Group's 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 auditor appointment, reappointment of removal, the annual report should include a statement explaining the Committee's recommendation and the reasons why the Board has taken a different position.