

Audit Committee

Terms of Reference

The Board of Taylor Wimpey plc will monitor the effectiveness of these Terms of Reference and the Audit Committee will review the Terms of Reference annually.		
Approved by:	Board of Taylor Wimpey plc	Last reviewed: 3 March 2026

1. Constitution and Purpose

- 1.1 The Board of Directors (the **Board**) of Taylor Wimpey plc (the **Company**) has established an Audit Committee (the **Committee**).
- 1.2 These terms of reference formalise the Committee's roles and responsibilities under the authority delegated to it by the Board.
- 1.3 The Committee's purpose is to assist the Board in fulfilling its oversight responsibilities relating to the Group's financial reporting and audit process and internal control and risk management systems and to monitor compliance with applicable legal obligations, regulatory requirements and corporate governance best practice.

2. Membership

Members

- 2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Governance Committee and in consultation with the Chair of the Audit Committee.
- 2.2 The Committee shall be made up of at least three members, all of whom shall be independent Non Executive Directors. The Chair of the Board shall not be a member of the Committee.
- 2.3 At least one member of the Committee must have been determined by the Board to have recent and relevant financial experience and a competence in accounting and/or auditing. The Committee as a whole shall have competence relevant to the housebuilding sector.
- 2.4 Subject to the normal annual re-election of Directors at the Company's AGM, appointments to the Committee shall be for an initial period of up to three years, which may be extended for a further three-year period at the discretion of the Nomination and Governance Committee and/or Board, provided the Director continues to be independent and meets the criteria for membership of the Committee. At the conclusion of their second three-year term the Nomination and Governance Committee and/or Board shall, if considered appropriate, re-appoint for a one-year term repeated until the end of their nine-year term.

Chair

- 2.5 The Committee Chair will be appointed by the Board from amongst the independent Non Executive Directors. 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.
- 2.6 The Committee Chair should be available, if required, to attend the Company's Annual General Meeting to answer shareholder questions on the Committee's activities. In addition, the Chair should seek engagement with relevant stakeholders on significant matters related to the Committee's areas of responsibility, if required.
- 2.7 The Committee Chair will maintain a dialogue with key individuals, as required, including the Board Chair, Chief Executive, Group Finance Director, Group General Counsel and Company Secretary, Head of Internal Audit and the external audit lead partner.

3. Meetings and Administration

Committee Secretary

- 3.1 The Group General Counsel and Company Secretary or their nominee will be the Committee Secretary and shall attend each meeting.
- 3.2 The Committee Secretary shall provide all necessary support to the Committee, including drawing up an agenda for each meeting in accordance with the Committee's Annual Plan, ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the relevant issues and minuting meetings.

Frequency of Meetings

- 3.3 The Committee must meet at least three times a year at appropriate times in the Company's financial reporting and audit cycle and otherwise as required for the Committee to fulfil its duties.

Notice of Meetings

- 3.4 Committee meetings shall be called by the Committee Secretary, at the request of the Committee Chair, any Committee Member, the Head of Internal Audit or the external auditors.
- 3.5 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date (and dial-in details, if required) together with an agenda of items to be discussed, shall be provided to each Committee member, any other person required to attend and all other Non Executive Directors, no later than seven calendar days before the date of the meeting. Supporting papers shall be made available to Committee members, and to other attendees as appropriate, at the same time.

Quorum

- 3.6 A quorum of the Committee is two members including at least one member who meets the financial experience and competence requirement, present in person or by audio or video conference.
- 3.7 A duly convened Committee meeting 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.

Attendance at Meetings

- 3.8 Only Committee members have the right to attend and vote at Committee meetings. The Committee may, however, invite non-members to attend as guests for all or part of a meeting, including other Board members, members of management, and any advisers appointed by the Company. Representatives of the external auditors and the Head of Internal Audit will be invited to attend every Committee meeting. The Committee may ask non-members to withdraw from any part of a meeting.
- 3.9 Members may attend Committee meetings in person, via audio or video conference.
- 3.10 Committee members must declare any conflicts of interest at the beginning of each meeting.

Minutes of Meetings

- 3.11 The Committee Secretary shall be responsible for minuting Committee meeting proceedings and circulating the minutes to Committee members. The minutes will be made available via a secure portal to Committee members and, where appropriate, to other attendees.

4. Duties and Responsibilities

The Committee will:

Financial Reporting

- 4.1 Monitor and critically assess the integrity of the Company's financial statements, preliminary results announcements and interim results announcements, reviewing significant financial reporting issues and judgements which they contain, taking into account the external auditors' views on the financial statements. Where appropriate, the Committee may delegate its responsibilities in relation to the review and approval of formal announcements and supplementary regulatory information relating to the Company's financial performance to the Disclosure Committee.
- 4.2 Review and, where necessary, challenge the consistency of, and approve significant changes in, accounting policies and practices, both on a year-on-year basis and across the Group.

- 4.3 Review, and report to the Board on, significant accounting judgements and adjustments, particularly concerning the nature and level of significant provisioning and for significant or unusual transactions where different approaches are possible.
- 4.4 Review and, where necessary, challenge the going concern assumption.
- 4.5 Review and, where necessary, challenge compliance with appropriate accounting standards and the requirements of the UK Listing Rules.
- 4.6 Review and, where necessary, challenge the clarity of disclosures in the Company's financial reports and the context in which statements are made.
- 4.7 Review and, where necessary challenge all material information presented with the financial statements, including the strategic report and the corporate governance statements (insofar as they relate to audit and risk management).
- 4.8 Only be involved in oversight relating to the Group's pension funds at the direction of the Board. This is because the Group Finance Director has the principal governance relationship and reports directly to the Board on this area.
- 4.9 At least annually, carry out a review of the Group's internal control framework's effectiveness, covering all material controls such that the Board can comply with Provision 29 of the Code 2024.
- 4.10 Make enquiries of management, the Head of Internal Audit and the external auditors regarding significant risks or exposures and assess the steps management has taken to actively mitigate such risks or exposures to the Group and, in doing so, review the Group's Risk Report in the Annual Report and Accounts.
- 4.11 Evaluate the effectiveness and efficiency of the Group's management, operational and financial internal control framework by reviewing reports from Internal Audit, and monitor Management's response and action to implement process and performance improvements points.
- 4.12 Determine whether management is taking action to monitor the effectiveness of the Group's internal control framework.
- 4.13 Review reports received from Internal Audit, the external auditors and management.
- 4.14 Review and approve the statements to be included in the Annual Report and Accounts concerning internal controls and risk management (unless this is done by the Board as a whole).
- 4.15 Review the Company's systems and controls for the prevention of bribery and receive reports on any non-compliance.
- 4.16 Review the Company's procedures for preventing and detecting fraud.
- 4.17 Work and liaise as necessary with the other Board committees.

Internal Audit

- 4.18 Approve the appointment and removal of the Head of Internal Audit. The Committee Chair is responsible for recommending the remuneration of the Head of Internal Audit to the Remuneration Committee.
- 4.19 Review and approve the role of Internal Audit, including the following actions:
 - (i) Review and endorse the budget and strategic direction of the Internal Audit function and its process improvement initiatives and targets.
 - (ii) Review, provide input to and approve the Internal Audit work plan to ensure key business concerns are appropriately addressed and that it is aligned to the key risks of the business.

- (iii) Monitor progress against the Internal Audit work plan.
 - (iv) Review and approve Internal Audit charter annually, including ensuring that it meets the current needs of the business.
 - (v) Consider management's responsiveness to the findings and recommendations of Internal Audit.
- 4.20 Ensure that the Internal Audit function has adequate technical expertise, qualifications, experience and resourcing to perform its function.
- 4.21 Ensure the Head of Internal Audit is free from operational responsibilities which might impair independence and objectivity and that there have been no restrictions placed upon Internal Audit that have impacted upon the scope and performance of the work undertaken.
- 4.22 Ensure that the Head of Internal Audit has direct access to the Chair of the Board and Committee Chair to provide independence from the executive and accountability to the Committee.
- 4.23 Review Internal Audit compliance with international and local auditing standards issued by relevant professional accounting bodies and the Institute of Internal Auditors.
- 4.24 Assess annually the effectiveness of the Internal Audit function in the context of the Group's overall risk management system and the work of compliance, finance and the external audit and taking into consideration relevant UK professional and regulatory requirements.
- 4.25 Obtain an independent external assessment of the Internal Audit function at least once every five years.

External Audit

- 4.26 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 and removal of the Company's external auditors. The Committee shall oversee the selection process for a new external auditor and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required.
- 4.27 Develop and oversee the selection process for the appointment of the external auditors, including explaining the criteria used to make the selection and process followed, as well as ensuring all tendering firms have access to the necessary information and individuals during the tendering process. Each Committee member should be involved throughout the tender process.
- 4.28 Review the reasonableness of the estimated and actual external audit fees, including fees for audit and non-audit work, ensuring they are appropriate to enable an effective and high quality audit to be conducted, and recommend approval to the Board.
- 4.29 Approve the terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- 4.30 Confirm and assess annually the independence and objectivity of the external auditors, including a review of services other than audit services (and related fees).
- 4.31 Satisfy 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).
- 4.32 Develop, implement, and monitor policy on the engagement of the external auditor to supply non-audit services, including: (i) taking into account relevant ethical guidance; (ii) ensuring there is prior approval of non-audit services, considering the impact this may have on independence; and (iii) reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

- 4.33 Ensure the policy outlining competitive tendering for non-audit services has been complied with.
- 4.34 Ensure that the Company manages its non-audit relationships with audit firms to ensure it has a fair choice of suitable auditors at the next external audit tender and in light of the need for greater market diversity and any market opening measures which may be introduced.
- 4.35 Agree with the Board a policy on the employment of former employees of the Company's auditors and monitor the implementation of this policy.
- 4.36 Monitor the auditors' compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compares to the overall fee income of the firm, office and partner and other related requirements.
- 4.37 Assess annually the auditors' qualifications, expertise and resources and the effectiveness of the audit process which shall include: (i) a report from the external auditors on their own internal quality procedures; (ii) obtaining evidence on the effectiveness of the external audit and the auditors from those impacted by the audit/auditors; (iii) satisfying itself that the quality of the audit is of sufficiently high standard supported by evidence and be able to justify how the Committee arrived at its conclusion; and (iv) reviewing the FRC's annual report on the external auditors and discussing the report with the auditors to understand how any identified issues are being addresses.
- 4.38 Review the external auditors' annual plan and ensure that it is consistent with any commitments made during the tender process. Ensure, where appropriate, that there has been adequate communication and effective co-ordination with the Finance and Internal Audit functions.
- 4.39 Ensure that the external auditors have full access to Company staff and records.
- 4.40 Ensure no restrictions have been placed upon the external auditors that have impacted on the scope and performance of the work undertaken.
- 4.41 Review external audit status reports, significant audit adjustments and any areas of debate or dispute between the external auditors and management.
- 4.42 Review the external audit report.
- 4.43 Evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditors' communications with the Committee.
- 4.44 Review any representation letter(s) requested by the external auditors before they are signed by management.

Other

- 4.45 Give due consideration to all relevant laws and regulations, the provisions of the Code 2024 and published guidance, the requirements of the UK Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules sourcebook, as appropriate.
- 4.46 Oversee any investigation of activities which are within its terms of reference and act as a court of the last resort.
- 4.47 Review, on an annual basis, its own performance against these Terms of Reference and best practice.
- 4.48 At least annually, and as required in response to any changes in regulation, regulator guidance and developing best practice, 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.

5. Reporting

The Committee will:

- 5.1 Report to the Board on the key activities covered at each meeting. This will usually be in the form of a verbal report from the Committee Chair at the next Board meeting or via circulation of the Committee's minutes.
- 5.2 Review and approve for recommendation to the Board an Audit Committee Report to shareholders covering its activities, and how it has discharged its responsibilities, to be included in the Company's Annual Report and Accounts, in line with legal and regulatory requirements including the Code Guidance and paragraphs 24 to 26 of the *Audit Committees and the External Audit: Minimum Standard*.
- 5.3 Establish, monitor and report to the Board on a process to ensure that the Company's Annual Report and Accounts to shareholders is fair, balanced, understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, to ensure that Section 4 Principle N, Provision 26 and Principle O and Provision 29 of the 2024 Code are met.
- 5.4 Review and approve an annual Audit Committee Report to shareholders in the Company's Annual Report and Accounts.

6. Authority

The Committee is authorised to:

- 6.1 Maintain open lines of communication amongst the Board, Internal Audit, the external auditors and management and to confirm their respective authority and responsibilities.
- 6.2 Ensure that Internal Audit has appropriate standing in the Company, enabling it to be independent of the executive and exercise independent judgement.
- 6.3 Meet the Head of Internal Audit at least once a year, without management being present, to discuss the Internal Audit remit and any issues arising from the internal audits carried out. In addition, the Head of Internal Audit shall be given the right of direct access of the Chair or the Board and to the Committee.
- 6.4 Advise the Board of and on any actual or potential matters of concern which may require its attention.
- 6.5 At the Company's expense, direct any special investigations deemed necessary by itself or the Board and to obtain outside legal or other professional advice on any matter within its terms of reference.
- 6.6 Have unrestricted access to the Head of Internal Audit, the external auditors and management.
- 6.7 Meet with the external auditors at two meetings each year (and otherwise as necessary) to: (i) discuss any matters which the external auditors may wish to raise without executive directors or management being present and (ii) invite challenge by the external auditors. Giving due consideration to points raised and making changes to financial statements in response, where appropriate.
- 6.8 Seek any information it requires to perform its duties from any employee.
- 6.9 Consult independent experts when considered necessary to carry out its duties.
- 6.10 Call any employee to be questioned by the Committee at one of its meetings, as and when required.

- 6.11 Access sufficient resources to carry out its duties, including having access to the Company Secretariat for assistance as required.
- 6.12 Receive appropriate and timely training, both in the form of an induction programme for new Committee members and on an ongoing basis for all members.
- 6.13 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.14 Engage, via the Committee Chair, with shareholders on significant matters relating to its areas of responsibility.

The Committee does not have authority to:

- 6.15 Commit the Board to the implementation of any recommendations it has made to the Board. In addition, the Committee is not responsible for supervising the performance of management and does not become involved in day-to day operations or management functions and decision making.