

AUDIT COMMITTEE TERMS OF REFERENCE

APTITUDE SOFTWARE GROUP PLC (the “Company”)

Main Principle: The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of the financial and narrative statements.

1 MEMBERSHIP

- 1.1 The Committee will consist of at least two independent Non-Executive Directors [Code provision 24].
- 1.2 The Chair of the Board will not be a member of the Committee [Code provision 24].
- 1.3 At least one member of the Committee shall have recent and relevant financial experience [Code provision 24]. At least one member must have competence in accounting and/or auditing [DTR 7.1.1R]. In addition, the members of the Committee shall have competence relevant to the sector in which the Company operates [Code provision 24 and DTR 7.1.1R].
- 1.4 The Committee Chair shall be independent and be appointed by the Board [DTR 7.1.1R].
- 1.5 Appointments to the Committee will be for a period of up to three years, which may be extended by no more than two further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.6 The Company Secretary shall be the Secretary of the Committee.

2 ATTENDANCE

- 2.1 Only members of the Committee have the right to attend Committee meetings.
- 2.2 The Committee will invite a representative of the external auditors to attend meetings of the Committee on a regular basis. The Committee should have at least one meeting, or part of a meeting, with the external auditors without management being present.
- 2.3 The Committee may request the Chair of the Company, the Chief Executive Officer, the Chief Financial Officer, other directors, any relevant senior management and any other persons the Committee thinks fit to attend meetings of the Committee, either regularly or by invitation, but such invitees have no right of attendance.

3 MEETINGS

- 3.1 The Committee will meet at least [three] times each year, having regard to the Company’s financial reporting and audit cycle, and at such other times as the Chair of the Committee thinks fit.
- 3.2 Meetings of the Committee will be arranged to tie in with the publication of the Company’s financial statements. Meetings should be held at least five working days prior to any Board meeting at which accounts or financial statements are to be approved, unless all the members of the Committee agree otherwise.
- 3.3 Meetings of the Committee will be called by the Secretary of the Committee at the request of the chair of the Committee, or at the request of external or internal

auditors if they consider it necessary.

- 3.4 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 as may be requested by the Committee, at least five working days prior to the date of the meeting.
- 3.5 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.
- 3.6 The quorum for meetings of the Committee will be two members, at least one of whom has recent and relevant financial experience.
- 3.7 Decisions of the Committee will be made by majority vote. In the event of an equality of votes, the Chair of the Committee will have a second or casting vote.

4 DUTIES

- 4.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable and appropriate request made by the Committee.
- 4.2 The Committee shall ensure:
 - a. Compliance with the fundamentals in DTR 7.1.3 of the FCA Disclosure and Transparency Rules (See the Appendix below)
 - b. That there is set out in the Company's Annual Report and Accounts the basis on which the Board consider that:
 - (i) the report is fair, balanced and understandable; and
 - (ii) provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.
- 4.3 In accordance with Code provision 25, the Committee shall:
 - a. Monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company financial performance, reviewing significant financial reporting judgments contained within them, having regard to matters communicated to it by the auditor.
 - b. Advise the Board on whether the Annual Report is fair, balanced and understandable and provides the information necessary for users to assess the Company's position, performance, business model and strategy.
 - c. Review the Company's internal financial controls and internal risk management systems; and unless expressly addressed by a separate board risk committee composed of independent directors, or by the Board itself.
 - d. Monitor and review the effectiveness of the internal audit function. Where there is no internal audit function, the Committee should consider annually whether there is a need for one and make a recommendation to the Board accordingly.
 - e. Review and approve the Company's statement to shareholders on internal control systems, risk management, including the assessment of principal risks and the viability statement prior to endorsement by the Board [DTR 7.2.5R].
 - f. Conduct any external audit tender process and make recommendations to the

Board, about the appointment, reappointment and removal of the external auditor.

- g. Review and approve the remuneration and terms of engagement of the external auditor.
- h. Review and monitor the external auditor's independence and objectivity.
- i. Review the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements.
- j. Develop and implement policy on the engagement of the external auditor 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 in this regard, and reporting to the Board on any improvement or action required.
- k. Report to the Board on how it has discharged its responsibilities.

4.4 The Committee shall also:

- a. Make recommendations to the Board, for it to be put to the Shareholders for their approval in a General Meeting, in relation to the appointment or re-appointment of the external auditor and to approve the remuneration and the terms of engagement.
- b. Discuss with the external auditor before the audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved.
- c. Review and consider the integrity of the half-year and annual financial statements before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) adjustments and significant financial reporting judgments resulting from the audit;
 - (iv) compliance with accounting standards; and
 - (v) compliance with FCA Listing Rules, the Companies Act 2006 and other legal requirements
- d. Report to the Board on how it has discharged its responsibilities.
- e. Discuss problems and reservations arising from the interim and final audits and any matters the auditor may wish to discuss (in the absence of management where necessary).
- f. Consider the major findings of internal investigations and management's response.
- g. Ensure that the Committee Chair or, in their absence, an appointed deputy attends the Company's Annual General Meeting to answer shareholders' questions about the work of the Committee.
- h. Ensure there is a separate section of the Company's Annual Report and Accounts which describes the work of the Committee in discharging its responsibilities. The report should include:
 - (i) The significant issues that it considered in relation to the financial statements, and how these issues were addressed;
 - (ii) An assessment of the effectiveness of the external auditor and the approach taken to the appointment or reappointment of the external

auditor, including the length of tenure of the current audit firm, when a tender was last conducted; and advance notice of any retendering plans.

- (iii) In the case of the Board not accepting the Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the Audit Committee explaining its recommendation and the reasons why the Board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment);
- (iv) 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 an explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services.

[Code provision 26 and DTR 7.1.5 R and 7.2.7 R]

- (i) Consider other related topics, as defined by the Board.

5 COMPLIANCE, WHISTLEBLOWING AND FRAUD

The Committee will:

- 5.1 review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee will ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 5.2 review the Company's procedures for detecting fraud;
- 5.3 review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 5.4 review the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and
- 5.5 keep under review the adequacy and effectiveness of the Company's compliance function.

6 OTHER MATTERS

The Committee will:

- 6.1 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;
- 6.2 give due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- 6.3 oversee any investigation of activities which are within its terms of reference;

- 6.4 work and liaise, as necessary, with all other Board committees ensuring 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; and
- 6.5 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.

7 AUTHORITY TO OBTAIN ADVICE AND ACCESS TO THE COMPANY SECRETARY

- 7.1 The Committee is authorised to obtain, at the Company's expense, independent professional advice, if the Committee considers this necessary in order to discharge its responsibilities. Application should be made in the first instance to the Company Secretary.
- 7.2 All Committee members have access to the advice of the Company Secretary, who is responsible for advising them on all governance matters [Code provision 16].
- 7.3 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. (FRC Guidance on Audit Committees, paragraph 30)

Board Approval: March 2024

Next review: March 2025