

Finablr PLC
(the “Company”)

Terms of Reference: Audit Committee

as adopted by the board of directors of the Company on 7 April 2019

In these Terms of Reference, references to:

“**Board**” shall mean the board of directors of the Company;

“**Code**” shall mean the UK Corporate Governance Code, as amended;

“**Committee**” shall mean the Audit Committee;

“**Committee Chair**” shall mean the chair of the Committee;

“**Committee Secretary**” shall mean the secretary of the Committee; and

“**Group**” means the Company and its subsidiaries from time to time and “**Group Company**” means any one of them;

The Audit Committee is established as a committee of the Board. The Audit Committee is vested with the authority, powers and duties set out in these Terms of Reference.

1 Membership

1.1 The Committee shall comprise at least three members.

1.2 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to meet the criteria for membership of the Committee.

1.3 All members of the Committee shall be independent non-executive directors at least one of whom shall have recent and relevant financial experience (ideally with a professional qualification from one of the professional accountancy bodies). The Committee as a whole shall have competence relevant to the sector in which the Company operates. The chairman of the Board shall not be a member of the Committee.

1.4 Only members of the Committee have the right to attend Committee meetings. It is expected that the finance director, head of internal audit and external audit lead partner will be invited to attend meetings of the Committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

1.5 The Board shall appoint the Committee Chair. In the absence of the Committee Chair and/or an appointed deputy at a committee meeting, the remaining members present shall elect one of themselves to chair the meeting.

1.6 In deciding chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.

2 Secretary

The company secretary or his or her nominee shall act as the committee secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

3 Quorum

The quorum necessary for the transaction of business shall be two members of the Committee. 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 directions vested in or exercisable by the Committee.

4 Frequency of Meetings

4.1 The Committee shall meet at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

4.2 Outside of the formal meeting programme, the Committee Chair, will maintain a dialogue with key individuals involved in the Company's governance, including the chairman of the Board, the chief executive, the finance director, the external audit lead partner and the head of internal audit.

5 Notice of Meetings

5.1 Meetings of the Committee shall be convened by the company secretary at the request of any of its members or at the request of the finance director, the external audit lead partner or head of internal audit if they consider it necessary.

5.2 Unless otherwise agreed by the Committee, 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, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5.3 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way.

6 Minutes of Meetings

6.1 The company secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.

6.2 The company secretary shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. If any conflicts of interest exist in relation to a particular member of the Committee on any particular issue, then such member of the Committee shall not participate or vote on the issue that gave rise to such a conflict of interest.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee by the company secretary and, once agreed, to all members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

7 Annual General Meeting

The Committee Chair should attend the annual general meeting of the Company to answer questions from shareholders on the Committee's activities and responsibilities.

8 Duties

The Committee should carry out the duties below for the Company as a whole, as appropriate.

8.1 Financial Reporting

8.1.1 The Committee shall monitor the Company's financial reporting process and the integrity of the financial statements of the Company, including its annual, and half-yearly reports, interim trading updates or reports, preliminary announcements and any other formal announcement relating to its financial performance, and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. The Committee shall also assist the Board with the review of interim reports, preliminary announcements, significant financial returns to regulators and material financial information contained in certain other public documents, such as announcements of a price sensitive nature.

8.1.2 In particular, the Committee shall review and challenge where necessary:

- (i) compliance with accounting standards and legal and regulatory requirements;
- (ii) the application of significant accounting policies and any changes to them;
- (iii) the methods used to account for significant or unusual transactions where different approaches are possible;
- (iv) whether the Company has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements;
- (v) the clarity and completeness of disclosures in the Company's accounts and the context in which the statements are made;
- (vi) any significant adjustments resulting from the audit;
- (vii) the basis on which the Group has been determined to be a going concern; and
- (viii) all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.

8.1.3 The Committee shall review any other statements to be published by the Company which require Board approval and which contain financial information first, where to carry out a review prior to Board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the Listing Rules or Disclosure Guidance and Transparency Rules sourcebook.

8.1.4 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.

8.2 Narrative Reporting

Where requested by the Board, the Committee should 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 and 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 Code.

8.3 Internal controls and risk management systems

The Committee shall:

- 8.3.1 keep under review the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems; and
- 8.3.2 review and approve the statements to be included in the annual report concerning internal control, risk management and the viability statement.

8.4 Compliance and Fraud

The Committee shall:

- 8.4.1 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 shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 8.4.2 review the Company's procedures for detecting fraud;
- 8.4.3 review the Company's systems and controls for the prevention of bribery and money laundering, and receive reports on non-compliance; and
- 8.4.4 keep under review the adequacy and effectiveness of the Company's compliance function.

8.5 Internal Audit

The Committee shall:

- 8.5.1 review and approve the role and mandate of the internal audit function, approve the annual internal audit plan and monitor and review the effectiveness of its work;
- 8.5.2 review and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation;
- 8.5.3 ensure the annual internal audit work plan is aligned to the key risks of the business, and receive regular reports on work carried out. The Committee shall pay particular attention to the areas in which the work of the risk, compliance, finance, internal audit and external audit functions may be aligned or overlapping and overseeing these relationships to ensure they are coordinated and operating effectively to avoid duplication;

- 8.5.4 ensure there is open communication between the different functions and that the internal audit function evaluates the effectiveness of the risk, compliance and finance functions as part of its internal audit plan;
- 8.5.5 approve the appointment or termination of appointment of the head of internal audit;
- 8.5.6 ensure that the internal audit function has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors;
- 8.5.7 ensure the internal audit function has direct access to the Committee Chair and the Chair of the Board where necessary and ensure the internal audit function has a reporting line which enables it to be independent from the executive and so able to exercise independent judgement;
- 8.5.8 carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:
 - (i) meet with the head of internal audit without the presence of management to discuss their remit and effectiveness of the function;
 - (ii) review and assess the annual internal audit work plan;
 - (iii) receive and review a report on the results of the internal auditor's work;
 - (iv) monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system;
 - (v) determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business;
 - (vi) review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function; and
- 8.5.9 consider whether an independent, third party review of internal audit effectiveness and processes is appropriate.

8.6 External Audit

The Committee shall:

- 8.6.1 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 auditor;
- 8.6.2 ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, develop and oversee the selection procedure for the appointment of the external audit firm, conducting the tender process and ensuring that all tendering firms have access to all necessary information and individuals during the tender process;

- 8.6.3** if an external auditor resigns, investigate the issues leading to this and decide whether any action is required;
- 8.6.4** oversee the relationship with the external auditor including (but not limited to):
- (i) approval of their remuneration, including fees for both audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;
 - (ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - (iii) reviewing and monitoring and assessing annually the external auditor's independence and objectivity taking into account relevant UK law, regulation, the Ethical Standard and other professional requirements and the Company's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats, including the provision of any non-audit services;
 - (iv) satisfying itself that there are no relationships between the auditor and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
 - (v) agreeing with the Board a policy on the employment of former employees of the Company's auditor, consistent with the Ethical Standard and applicable law and regulation, and monitor the application of this policy;
 - (vi) monitoring the auditor's processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and the Ethical Standard, including the guidance on the rotation of audit partner and staff;
 - (vii) monitoring the level of fees paid by the company to the external auditor in the context of relevant legal, professional and regulatory requirements, guidance and the Ethical Standard;
 - (viii) assessing annually the relationship with external auditor including assessing the qualifications, expertise and resources, and independence of the external auditor and the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
 - (ix) seeking to ensure co-ordination of the external audit with the activities of the internal audit function; and
 - (x) evaluating the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the committee;
- 8.6.5** develop and implement the company's policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external auditors, including prior approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect

on the audited financial statements. The policy should include consideration of the following matters:

- (i) the impact this may have on the independence of the external auditor, taking into account the relevant regulations and ethical guidance in this regard, with any improvements or actions required being reported by the Committee to the Board;
- (ii) the nature of the non-audit services;
- (iii) whether the external audit firm is the most suitable supplier of the non-audit service;
- (iv) the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and
- (v) the criteria governing compensation.

8.6.6 meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without executive directors or management being present, to discuss the auditor's remit and any issues arising from the audit;

8.6.7 review and approve the annual audit plan, and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

8.6.8 review the findings of the audit with the external auditor. This shall include but not be limited to, the following;

- (i) a discussion of any major issues or reservations which arose during the audit;
- (ii) the auditor's explanation of how the risks to audit quality were addressed;
- (iii) key accounting and audit judgements;
- (iv) the auditor's view of their interactions with senior management; and
- (v) levels of errors identified during the audit.

8.6.9 review any representation letter(s) requested by the external auditor before they are signed by management;

8.6.10 review the management letter and management's response to the auditor's findings and recommendations;

8.6.11 consider and review the findings of any external tax advisor to the Group; and

8.6.12 review the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements, and 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 Reporting Responsibilities

- 9.1** The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:
- 9.1.1** the significant issues that it considered in relation to the financial statements (required under paragraph 8.1.1) and how these were addressed;
 - 9.1.2** its assessment of the effectiveness of the external audit process (required under paragraph 8.6.4(viii) and its recommendation on the appointment or reappointment of the external auditor;
 - 9.1.3** information on any improvement or action that is required in relation to the approval of the supply of non-audit services by the external auditor (see paragraph 8.6.5); and
 - 9.1.4** any other issues on which the Board has requested the Committee's opinion.
- 9.2** The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3** The Committee shall compile a report on its activities to be included in the Company's annual report. The report should include:
- 9.3.1** an explanation of how the Committee has addressed the effectiveness of the external audit process;
 - 9.3.2** if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence are safeguarded;
 - 9.3.3** an explanation of the approach taken to the appointment or reappointment of the external auditor;
 - 9.3.4** the length of tenure of the current external auditor and when the tender was last conducted;
 - 9.3.5** advance notice of any plans to retender the external audit;
 - 9.3.6** an explanation of how the Committee has assessed the effectiveness of the internal audit process;
 - 9.3.7** the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor;
 - 9.3.8** any other issues on which the Board has requested the Committee's opinion; and
 - 9.3.9** all other information requirements set out in the Code.
- 9.4** In compiling the reports referred to in paragraphs 9.1 and 9.3, the Committee should exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but should include at least those matters that have informed the Board's assessment of whether the Company is a going concern. The report to shareholders need not repeat

information disclosed elsewhere in the annual report and accounts, but could provide cross-references to that information.

10 Other Matters

The Committee shall:

- 10.1** have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- 10.2** 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;
- 10.3** give due consideration to laws and regulations, including the general duties of directors set out in the Companies Act 2006, the provisions of the Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate;
- 10.4** be responsible for co-ordination of the internal and external auditors;
- 10.5** oversee any investigation of activities which are within its terms of reference;
- 10.6** work and liaise as necessary with all other Board committees, taking particular account of the impact of risk management and internal controls being delegated to different Board committees; and
- 10.7** 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.

11 Authority

The Committee is authorised to:

- 11.1** investigate any activity within its terms of reference;
- 11.2** 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;
- 11.3** obtain, at the Company's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so;
- 11.4** call any employee to be questioned at a meeting of the Committee as and when required; and
- 11.5** 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.