

ANGLE PLC (the “company”)

AUDIT COMMITTEE TERMS OF REFERENCE

1. SCOPE

- 1.1 AIM listed companies are not required to comply with the disclosures of the UK Corporate Governance Code September 2014 (the “Code”). However, the Board is committed to maintaining high standards of Corporate Governance and has therefore sought to comply with the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 (the “QCA Code 2013”). The QCA Code 2013 adopts key elements of the Code, policy initiatives and other relevant guidance and then applies these to the needs and circumstances of small and mid-size quoted companies.
- 1.2 The Board seeks to apply and comply with the provisions of the QCA Code 2013 in so far as it considers them to be appropriate to a company of this size, nature and structure and has explained any areas of non-compliance with those provisions.
- 1.3 The Group complies with the provisions of the QCA Code 2013 with the exception that it does not have a Senior Independent Director or an internal audit function due to the size of the Company.

2. ROLE OF THE COMMITTEE

- 2.1 To increase shareholder confidence and to ensure the credibility and objectivity of published financial information.
- 2.2 To assist the Board in meeting its financial reporting responsibilities.
- 2.3 To assist the Board in ensuring the effectiveness of the Company’s internal accounting and financial controls and risk management policies.
- 2.4 To strengthen the independent position of the Company’s external auditors by providing channels of communication between them and the non-executive directors.
- 2.5 To review the performance of the company’s external auditing functions.

3. REMIT AND AUTHORITY

- 3.1 The Audit Committee has been established by resolution of the Board and is a sub-committee of the Board of Directors and as such is answerable to the Board and will report to it on a regular basis.
- 3.2 In particular the Audit Committee has authority to carry out the following duties:-
 - 3.2.1 to make recommendations to the Board on the appointment of the external auditors, the audit fee and any questions of resignation or dismissal relating to the auditors;
 - 3.2.2 to review the half year and annual financial statements of the Company before their submission to the board;
 - 3.2.3 to enter into discussions with external auditors concerning the nature and scope of the audit; to monitor and review any problems or reservations arising from the audit; and to discuss any matters which the external auditor wishes to discuss without executive Board members present;

- 3.2.4 to review the results and cost-effectiveness of the audit and the independence and objectivity of the external auditors
- 3.2.5 to review the external auditor's management letter and management's response;
- 3.2.6 to consider communications from the external auditors on audit planning and findings and on material weakness in accounting and internal control systems that have come to the auditors' attention;
- 3.2.7 to review and discuss with management and auditors the preliminary results, interim information and annual financial statements before submission to the Board, focusing particularly on:
 - (a) the quality and acceptability of the accounting policies and practices and financial reporting disclosures and changes thereto;
 - (b) areas involving significant judgement, estimation or uncertainty;
 - (c) material misstatements detected by the auditors that individually or in aggregate have not been corrected and management's explanations as to why they have not been adjusted;
 - (d) the basis for the going concern assumption;
 - (e) compliance with financial reporting standards and relevant financial and governance reporting requirements;
- 3.2.8 to discuss any difficulties, reservations or other matters arising from the external auditors' interim and final audits (in the absence of management, where necessary);
- 3.2.9 to review, prior to its consideration by the Board, the external auditors' report to the directors and management's response;
- 3.2.10 to review the company's annual statement on internal control and its compliance with appropriate guidance prior to consideration by the Board; and in particular, where requested by the Board, to review:
 - (a) the policies and overall process for identifying and assessing business risks and managing their impact on the Company;
 - (b) regular assurance reports from management, external audit and other on the operational effectiveness of matters related to risk and control;
 - (c) the timeliness of, and reports on, the effectiveness of corrective action taken by management; and
- 3.2.11 to consider any necessary disclosure implications of the process that has been applied by the Board to deal with material internal control aspects of any significant problems disclosed in the annual report and accounts;
- 3.2.12 annually to consider and make recommendations to the board on whether an internal audit function is required.
- 3.2.13 to review significant findings of internal investigations into control weaknesses, fraud or misconduct and management's response (in the absence of management, where necessary);
- 3.2.14 to consider the disclosure about the role of the audit committee included in the annual report;

- 3.2.15 to review other disclosures or documents as determined by the Board including, for example, accounting and regulatory trends and changes;
 - 3.2.16 to consider other topics, as defined by the Board, such as the Company's policies for preventing or detecting fraud, handling allegations from whistleblowers, its code of corporate conduct/business ethics, or ensuring that the Company complies with relevant regulatory and legal requirements; and
 - 3.2.17 periodically to review and update its own terms of reference requesting Board approval for all proposed changes and, at appropriate intervals, evaluate its own performance against its terms of reference and best practice.
- 3.3 The Audit Committee is authorised to obtain external professional (including legal) advice in pursuance of its duties at the cost of the Company.
- 3.4 If the auditors also supply a substantial volume of non-audit services to the Company, the Audit Committee should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money.

4. MEMBERSHIP AND ATTENDANCE AT MEETINGS

- 4.1 The Audit Committee shall have a minimum of two members, who shall be appointed by the Board (on the recommendation of the Nomination Committee) and be drawn exclusively from the non-executive directors and Chairman of the Company. These members should be independent of the executive directors and management and also be free from any business or other relationship which could materially interfere with the exercise of their independent judgement. At least one member shall have recent and relevant financial experience. The Chairman of the Audit Committee shall be appointed by the Board of the Company and shall be an independent non-executive director. The membership of this Committee is to be set out in the annual report and accounts of the Company. The quorum for any decisions shall be two members.
- 4.2 Audit Committee meetings shall also be attended by the Chairman of the Board (where not already a member), external auditor and the Finance Director of the Company as required. The Committee may invite any outsiders to attend its meetings as it deems appropriate.
- 4.3 Other members of the Board have the right to attend meetings of the Audit Committee.

5 PROCEDURE

- 5.1 The Audit Committee shall meet not less than two times a year (to coincide with key dates in the financial reporting cycle) and at such other times as circumstances require. The external auditors may request a meeting if they consider it necessary.
- 5.2 The Audit Committee shall have discussions with the external auditors at least once a year without any executive Board members being present.
- 5.3 At least 21 days notice of any meeting of the Audit Committee shall be given, although such notice period may be waived or shortened with the consent of all the members of the Audit Committee. The agenda for Committee meetings shall be determined by the Chairman of the Committee in order to allow it to discharge its responsibilities.
- 5.4 The Audit Committee shall report on Committee business to the Board and minutes of the meeting shall be made available to all members of the Board and to the external auditors.

- 5.5 The Audit Committee Chairman shall be available at the Annual General Meeting to answer questions.
- 5.6 The Committee shall make available its terms of reference by providing written copies upon request, and by posting the information on the Company's website.