

## ANT plc

### Terms of Reference for the Audit Committee

#### 1. Constitution

IT WAS RESOLVED (pursuant to the powers of the Board under the Articles of Association of the Company, as set out in Article 133) that a Committee of the Board be and is hereby established and it is known as the Audit Committee.

#### 2. Membership

2.1 The Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than three members. If there are less than three Non-Executive Directors of the Company at any time, an Executive Director may be appointed to the Committee. The first members of the Committee shall be Simon Woodward, Anthony Caplin and David Kynaston. A quorum shall be two members (or as governed by the Company's Articles of Association from time to time but not less than two).

2.2 The Chairman of the Committee shall be appointed by the Board and in the first instance shall be David Kynaston.

2.3 The members of the Committee shall be re-elected each year by the Board and a member of the Committee can be removed by the Board at any time subject to the requirement that the number of the Committee members does not fall below three at any time.

2.4 Each member shall devote extra time to his work as a member of the Committee, in addition to carrying out his duties as a Director of the Company and as a member of any other committees of the Board.

#### 3. Attendance at meetings

3.1 The Group Finance Director, the Group Chief Executive, the Head of Internal Audit and any other executive(s) responsible for monitoring the operation of the systems of internal control of the Company and of its subsidiaries (together, the "**Group**") and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance but not the right to vote. If at any time the external auditors shall request a meeting with the Committee (whether with or without any other Director or Directors present) the Committee shall arrange a meeting as soon as reasonably practicable. However, at least once a year the Committee shall meet with the external auditors without executive directors present.

3.2 The Company Secretary shall be the Secretary of the Committee.

#### 4. **Frequency of meetings**

- 4.1 Meetings shall be held not less than twice a year. The external auditors may request a meeting if they consider that one is necessary.
- 4.2 A meeting may also be requested by any member of the Committee who considers that one is necessary and by any member of the Board if approval is given by the Chairman of the Board.

#### 5. **Authority**

- 5.1 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 request made by the Committee.
- 5.2 The Committee is authorised by the Board, at the expense of the Company, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary but such persons shall not be members of the Committee.
- 5.3 In the event that any director of the Company or any of its subsidiaries shall indicate to the Committee that he requires, or has obtained, independent legal or other professional advice in relation to his duties as director, the Committee may authorise the obtaining at the Company's expense of such advice by such director on such terms as the Committee may think fit.
- 5.4 The Committee shall inform the Chairman or the Finance Director of any expenses of the kind referred to in paragraphs 5.2 and 5.3 which it has incurred or approved as soon as it is appropriate in the particular circumstances for the Committee to do so.

#### 6. **Duties**

The duties of the Committee (having regard to the provisions of the Principles of Good Governance and Code of Best Practice appended to the Listing Rules of the UK Listing Authority (the "**Combined Code**") and other best corporate governance practice from time to time, so far as it is appropriate in the context of the size of the Group) shall be to:

- (a) assist the Board in discharging its duty to ensure that the financial statements presented by the Company to its shareholders conform with all legal requirements and that the Group's systems of internal control are adequate, and to keep such matters under review and to make appropriate recommendations to the Board from time to time;
- (b) consider the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal of the external auditor;
- (c) discuss and agree with the external auditor before the audit commences the nature and scope of the audit, and to ensure co-ordination where more than one audit firm is involved;

- (d) review from time to time the cost effectiveness of the audit and the independence and objectivity of the external auditor;
- (e) review the half-year and annual financial statements, and any audited accounts, before submission to the Board, focusing particularly on:
  - (i) any changes in accounting policies and practices;
  - (ii) major judgemental or high risk areas;
  - (iii) significant adjustments resulting from the audit;
  - (iv) the going concern assumption;
  - (v) compliance with accounting standards;
  - (vi) compliance with the Rules of the Alternative Investment Market of the London Stock Exchange and other relevant stock exchange and legal requirements from time to time;
  - (vii) management representations to the external auditors;
  - (viii) compliance with accounting standards;
  - (ix) the Chairman's statement and statement of operations;
  - (x) the press announcement and the preliminary statement; and
  - (xi) any matter which ought to be brought to the attention of the Board;
- (f) discuss problems and reservations arising from the interim review or audit and the final audit, and any matters the auditor may wish to discuss (in the absence of management where necessary);
- (g) review the external auditor's management letter/ key issues memorandum and management's response;
- (h) review, on behalf of the Board, the Company's statements on corporate governance and the Group's system of internal control (including financial, operational, compliance and risk management) prior to endorsement and make recommendations to the Board;
- (i) (where an internal audit function exists) review the internal audit programme, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group;
- (j) (where an internal audit function does not exist) review from time to time the need for an internal audit and financial control systems for the Group;

- (k) consider the major findings of internal investigations and management's response;
- (l) review the Group's operating and financial and accounting policies and practices;
- (m) review any report by the auditors;
- (n) review the nature and extent of non-audit services provided by the auditors with a view to seeking a balance between maintenance of objectivity and value for money;
- (o) approve, prior to endorsement by the Board, any review of the operations and finances of the Company and its subsidiary undertakings to be published in the annual report;
- (p) consider other topics, as defined by the Board;
- (q) report on all the above matters to the Board; and
- (r) ensure that the Chairman of the Committee attends the Annual General Meeting to answer any questions relating to the matters for which the Committee is responsible.

#### **7. Reporting procedures**

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

#### **8. Miscellaneous**

- 8.1 Subject as provided in this resolution and to the Articles of Association of the Company, the Committee shall determine its own procedures.
- 8.2 A copy of this minute shall be supplied to the external auditors.