

MARLOWE PLC

(the Group)

AUDIT COMMITTEE'S TERMS OF REFERENCE

1. CONSTITUTION

The Audit Committee (**Committee**) was constituted at a full meeting of the board of directors of the Company (**Board**) held on 27 February 2016 in accordance with the articles of association of the Company and updated on 20 March 2025.

2. DUTIES AND TERMS OF REFERENCE

2.1 The Committee shall monitor the integrity of the financial statements of the Group, including its annual and half yearly reports, interim management statements, preliminary results' 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 external auditor.

2.2 The Committee shall review and challenge where necessary:

- (a) the application and appropriateness of significant accounting policies;
- (b) the consistency of, and any changes to, accounting policies and principles both on a year on year basis and across the company and the group;
- (c) the methods used to account for significant or unusual transactions where different approaches are possible;
- (d) whether the company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- (e) the clarity and completeness of disclosure in the company's financial reports and the context in which statements are made; and
- (f) all material information presented with the financial statements, such as the business review/operating and financial review and any corporate governance statement (insofar as it relates to the audit and risk management);
- (g) significant adjustments resulting from the external audit;

- (h) the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to the Group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements), including the robustness of stress-testing and scenario planning, and disclosures around such analysis;
- (i) the legality of any proposed dividend and the company's ability to pay it and remain a going concern;
- (j) monitor compliance with financial reporting standards and the AIM rules and related guidance and other financial and governance reporting requirements; and
- (k) review first any other statements that contain financial information and require board approval, if carrying out a review before board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the AIM rules.

2.3 If the Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the Board.

2.4 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 performance, business model and strategy.

2.5 The Committee shall:

- (a) keep under review the effectiveness of the Group's internal financial controls and;
- (b) review and approve the statement in the annual report concerning internal financial controls.

2.6 The Committee shall:

- (a) 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; and
- (b) review the company's procedures for detecting and preventing fraud.

- 2.7 The Group has no internal audit function. The Committee shall consider at least annually the need for an internal audit function, make recommendations to the board and explain the reasons for the absence of such a function, how internal assurance is achieved and how this affects the external audit work to the board for disclosure in the annual report. The Committee shall assess whether the processes applied by management to ensure that the internal controls systems are functioning as intended and provide sufficient and objective assurance.
- 2.8 The Committee shall:
- (a) 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. If an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
 - (b) develop and oversee the selection procedure for the appointment of the audit firm in accordance with the Code and other regulatory requirements, ensuring that all tendering firms have such access as is necessary to information and individuals during the tendering process;
 - (c) oversee the relationship with the external auditor including (but not limited to):
 - (i) recommendations on their remuneration, including fees for audit or non-audit services and 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) assessing annually their independence and objectivity taking into account relevant UK professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - (iv) on an annual basis, seek reassurance from the external auditor and their staff and satisfy itself that that there are no relationships (such as family, employment, investment, financial or business) 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, then monitoring the application of this policy;

- (vi) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners and staff, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements;
- (vii) assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;
- (viii) evaluating the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the committee; and
- (ix) agree and implement a policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter.

2.9 Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit.

2.10 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.

2.11 Review the findings of the audit with the external auditor. This shall include but not be limited to, the following:

- (a) a discussion of any major issues which arose during the audit,
- (b) the auditor's explanation of how the risks to audit quality were addressed;
- (c) key accounting and audit judgements,
- (d) levels of errors identified during the audit.

2.12 At the end of the audit cycle, assess the effectiveness of the audit process, including;

- (a) reviewing whether the auditor has met the agreed audit plan and whether the external auditor identified any risks to audit quality and, if so, how these were addressed;

- (b) understanding for reasons for changes to the audit plan;
 - (c) considering the external auditor's robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions;
 - (d) obtaining feedback from key people on the conduct of the audit; and
 - (e) reviewing and monitoring the content of the external auditor's management letter and reporting to the board on the effectiveness of the audit process.
- 2.13 Review any representation letter(s) requested by the external auditor before they are signed by management.
- 2.14 Review the management letter and management's response to the auditor's findings and recommendations.
- 2.15 The chair of the Committee (**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. The report shall include:
- (a) the significant issues that it had considered in relation to the financial statements and how these were addressed;
 - (b) the assessment of the effectiveness of the external audit process and its recommendations on the appointment/reappointment of the external auditor; and
 - (c) any other issues on which the Board has requested the Committee's opinion.
- 2.16 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 2.17 The Committee shall prepare a formal report on its activities and how the Committee has discharged its responsibilities to be included in the Group's annual report which shall include:
- (a) details of membership of the Committee, numbers of meetings held and attendance over the course of the year;
 - (b) a summary of the role and work of the Committee;

(c) how the Committee's performance evaluation has been conducted (when timing is deemed appropriate);

(d) 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 external auditor, the nature and extent of any interaction with the Financial Reporting Council's Corporate Reporting Review team and any significant findings of a review of the Group's audit conducted by the Financial Reporting Council's Audit Quality Review team;

(f) an explanation of its assessment of independence and effectiveness of the external audit process (including the provision of non-audit services and an explanation of how, if the auditors provide non-audit services to the Group, auditor objectivity and independence is safeguarded) and the amount of fees paid to the auditor for any of its services;

(g) the Committee's policy for approval of non-audit services, how auditor objectivity and independence is safeguarded, the audit fees for the statutory audit for audit related services and other non-audit services, including the ration of audit to non-audit work, and for each significant engagement, or category of engagements, what the services are and why the Committee concluded that it was in the Company's interest to purchase them from the external auditor;

(h) in the case of no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the work of external audit;

(i) all other information requirements set out in the UK Corporate Governance Code, the QCA Corporate Governance Code, PLSA Corporate Governance Policy & Voting Guidelines for Smaller Companies; and

(j) any other issues on which the board has requested the Committee's opinion.

In compiling the report referred to above, exercise judgement in deciding which of the issues it considers in relation to the financial statements are significant, but include at least those matters that have informed the board's assessment of whether the Group is a going concern.

2.18 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- (b) 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;
- (c) give due consideration to applicable laws and regulations, the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Guidelines for Small and Mid-Sized Quoted Companies, PLSA Corporate Governance Policy & Voting Guidelines for Smaller Companies and the requirements of the AIM Rules for Companies published by the London Stock Exchange as appropriate;
- (d) make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed;
- (e) oversee any investigation of activities which are within its terms of reference; and
- (f) arrange for periodic review of its own performance and, at least once a year, 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.

2.19 To consider such other matters as may be requested by the board of directors.

3. MEMBERSHIP

3.1 The members of the Committee shall be appointed by the Board, in consultation with the Committee Chairman. All of the members of the Committee should be independent non-executive directors, save for where the Committee has good reason for the inclusion of a non-executive director who does not qualify as independent.

3.2 The Committee shall have at least two members and at least one member should have recent and relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies.

3.3 The Chairman of the board shall not be a member of the Committee.

3.4 The board shall appoint members of the Committee, on recommendation of the Nomination Committee and in consultation with the Committee chair. As at the date of these revised terms of reference, the Committee composition is

Rachel Addison, Gillian Kent, Peter Gaze and Julia Robertson and the Committee is chaired by Rachel Addison. A quorum shall be any two members of the Committee.

- 3.5 In the absence of the Committee chair and/or appointed deputy, the remaining members present at a Committee meeting shall elect one of their number present to chair the meeting.
- 3.6 The Committee chair shall review membership of the Committee annually.
- 3.7 Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided the members continue to remain independent.

4. VOTING ARRANGEMENTS

- 4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 4.2 Each member of the Committee must, at or prior to the commencement of each meeting of the Committee, disclose to the Committee any interest that he or she has in any matter or proposal to be considered at the meeting. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 4.3 Save where he has a personal interest, the Committee Chairman will have a casting vote.

5. ATTENDANCE AT MEETINGS

- 5.1 The Committee will meet at least three times a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as required.
- 5.2 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, chief executive, finance director and the external audit lead partner.
- 5.3 Only members of the Committee have the right to attend Committee meetings. However, the external auditor and other individuals such as the

chief executive and the finance director may be invited to attend all or part of any meeting as and when appropriate.

- 5.4 The Company's external auditors may be required to attend Committee meetings, but not in the presence of any of the executive directors of the Company, with a view to consulting with the Committee.
- 5.5 The Company secretary or his or her nominee shall be the secretary of the Committee (**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 all issues.
- 5.6 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be called by the Committee Secretary at the request of any of its members or at the request of the external or internal auditors if they consider if necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend and all other non-executive directors no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

7. AUTHORITY

- 7.1 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 discretions vested in or exercisable by the Committee. The Committee is authorised by the board of directors to examine any activity within its terms of reference and is authorised to have unrestricted access to the company's external auditors and to obtain, at the company's expense, professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

7.2 The Committee has the right to publish in the company's annual report, details of any issues that cannot be resolved between the committee and the Board.

7.3 The Committee shall work and liaise as necessary with 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.

8. REPORTING

The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted. Draft minutes of each meeting shall be agreed with the Committee chair and then be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the board of directors unless it would be inappropriate to do so in the opinion of the Committee Chair.

9. GENERAL MATTERS

9.1 The Committee Chair should make himself or herself available at each annual general meeting of the company to answer questions concerning the committee's work.

9.2 Subject to paragraph 7.2 above, the recommendations of the committee minutes must be approved by the board of directors before they can be implemented.

10. AVAILABILITY OF TERMS OF REFERENCE

10.1 These terms of reference shall be made available on the Company's website.