TERMS OF REFERENCE OF THE AUDIT COMMITTEE (the COMMITTEE)

OF THE BOARD OF DIRECTORS (the BOARD) OF THEWORKS PLC (the COMPANY)

Adopted by the Board on 26 March 2025

1 CONSTITUTION

The Committee was constituted as a committee of the Board of the Company at a meeting of the Board held on 12 July 2018 in accordance with the articles of association of the Company.

2 AUTHORITY

2.1 The Committee is authorised to investigate and undertake any activity within its terms of reference. It is authorised to seek any information it requires from any employee or director in order to perform its duties and the Board shall direct all employees and directors to co-operate with any request made by the Committee.

2.2 If the Committee considers it necessary, it is authorised to obtain appropriate external advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise. The Company shall bear the cost of obtaining such advice or services. The Committee shall inform the Company's Chief Financial Officer before incurring any such expense (if practicable) and in any event following such incurrence.

3 COMMITTEE MEMBERS

3.1 The members of the Committee shall be appointed by the Board, on the recommendation of the Company's nomination committee in consultation with the chair of the Committee. The Committee shall be made up of at least two members and shall include, where possible, one member of the Company's remuneration committee. All members of the Committee shall be independent non-executive directors of the Company (as determined by the Board in accordance with the principles of the UK Corporate Governance Code (the **Code**)) at least one of whom shall have recent and relevant financial experience, ideally with a professional qualification from one of the professional accounting bodies.

3.2 Only members of the Committee have the right to attend and vote at Committee meetings. However, the Chief Financial Officer, external audit lead partner and, if relevant, the head of internal audit (or a representative of the internal audit function), 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 when appropriate and necessary.

3.3 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, provided the director concerned remains independent.

3.4 The chair of the Committee shall be appointed by the Board and shall be an independent non-executive director. In the absence of the chair of the Committee, or an appointed deputy, at any meeting the remaining members shall elect one of their number to chair the meeting.

4 SECRETARY

The Company Secretary, or their nominee, shall act as the secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

5 MEETINGS

5.1 The Committee shall meet at least three times a year, at such times and locations as may be agreed by the members of the Committee, including at appropriate times in the financial reporting and audit cycle. Meetings of the Committee shall be convened by the secretary of the Committee at the request of any of its members or at the request of the external audit lead partner or, if relevant, the head of internal audit, if they consider it necessary.

5.2 The quorum for any meeting of the Committee shall be two members.

5.3 Unless otherwise agreed, 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 close of business on the Friday immediately preceding the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

5.4 At least once in each year, the Committee shall meet with the Company's auditors without management present to discuss the auditor's remit, the findings of the audit and any issues arising from the audit.

5.5 A meeting of the members of the Committee may consist of a conference between Committee members some or all of whom are in different places provided that each Committee member may participate in the business of the meeting whether directly, by telephone or by any other electronic means which enables them:

5.5.1 to hear each of the other participating Committee members addressing the meeting; and

5.5.2 if they wish, to address all of the other participating Committee members simultaneously.

5.6 A Committee meeting held in the manner specified in paragraph 5.5 is deemed to take place at the place where the largest group of participating Committee members is assembled or, if no such group is readily identifiable, at the place from where the chair of the meeting participates.

5.7 Outside of the formal meeting programme, the chair of the Committee, and to a lesser extent the other Committee members, will maintain a dialogue with key individuals involved in the Company's governance, including the Board chair, the chief executive, the Chief Financial Officer, the external audit lead partner and, if relevant, the head of internal audit.

6 DUTIES

The Committee shall carry out the duties below for the Company, its major subsidiary undertakings and the group as a whole, as appropriate, and in doing so it shall have regard to the statutory duties set out in Part 10 of the Companies Act 2006 for the time being in force.

6.1 Financial Reporting

6.1.1 Monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports and accounts, preliminary announcements and any other formal announcements relating to the Company's financial performance, including reviewing and reporting to the Board on important transactions, accounting policies and significant financial reporting issues and judgments which they may contain, having regard to matters communicated to it by the external auditor.

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

(a) the consistency and application of significant accounting policies and any changes to them, both on a year by year basis and across the group;

(b) the methods used to account for significant or unusual transactions where different approaches are possible;

(c) whether the Company has adopted and followed appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements;

(d) the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made; and

(e) 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.

6.1.3 The Committee shall review any other statements requiring Board approval 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 AIM Rules or the Financial Conduct Authority's (**FCA**) Disclosure Guidance and Transparency Rules sourcebook.

6.1.4 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.

6.2 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 performance, business model and strategy.

6.3 Internal Controls and Risk Management Systems

The Committee shall:

6.3.1 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

6.3.2 review and approve the statements to be included in the annual report concerning internal control, risk management, including the assessment of principal risks and emerging risks, and the viability statement.

6.4 Compliance, Whistleblowing and Fraud

The Committee shall:

6.4.1 review the adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Company shall ensure that these arrangements allow proportionate and independent investigation of such matters with appropriate follow-up action;

6.4.2 review the Company's procedures for detecting fraud; and

6.4.3 review the Company's systems and controls for the prevention of bribery and to receive reports on non-compliance.

6.5 Internal Audit

The Company does not currently have an internal audit function. Therefore the Committee shall:

6.5.1 Consider at least annually the need for an internal audit function;

6.5.2 Make any recommendation to the Board relating to the appointment of an internal audit function;

6.5.3 Assess whether the processes applied by management to ensure that the internal controls systems are functioning as intended provide sufficient and objective assurance.

If an internal audit function is established, the Committee shall:

6.5.4 approve the appointment or termination of appointment of the head of internal audit or an outsourced internal audit function;

6.5.5 review and approve the role and mandate of the internal audit function and ensure the function has the necessary resources and is properly equipped to perform in accordance with appropriate professional standards for internal auditors, including:

6.5.6 ensure the internal audit has unrestricted scope and the internal audit function evaluates the effectiveness of those functions as part of its internal audit plan;

6.5.7 ensure the internal audit function has sufficient access to information and that there is open communication between different functions to enable it to properly fulfil its mandate;

6.5.8 ensure the internal auditor has direct access to the Board chair and to the Committee chair and is accountable to the Committee;

6.5.9 review and approve the annual internal audit work plan and ensure it is aligned to the key risks of the business, and receive regular reports on the work carried out;

6.5.10 determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business;

6.5.11 Carry out an annual assessment of the effectiveness of the internal audit function, and as part of this assessment:

(a) review and monitor management's responsiveness to the internal auditor's findings and recommendations;

(b) meet with the head of internal audit (or a senior representative of the internal audit function) at least once a year without the presence of management;

6.5.12 monitor and assess the role and effectiveness of the Company's internal audit function in the overall context of the Company's risk management systems and the work of finance and the external auditor;

6.5.13 consider whether an independent, third party review of processes is appropriate.

6.6 External Audit

The Committee shall:

6.6.1 consider and make recommendations to the Board, for it to put to the shareholders for their approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the external auditor;

6.6.2 develop and oversee the selection procedure for the appointment of the audit firm in accordance with applicable governance and regulatory requirements, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;

6.6.3 approve the level of remuneration of the external auditor (including both fees for 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

6.6.4 approve the terms of engagement of the external auditor, including any engagement letter issued at the start of each audit and the scope of the audit;

6.6.5 assess annually the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration UK law, regulation, other professional requirements, the FRC Ethical Standard (the **Ethical Standard**) and the group'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;

6.6.6 if an auditor resigns, investigate the issues leading to such resignation and decide whether any action is required;

6.6.7 evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the Committee

and consider the need to include the risk of the withdrawal of the external auditor from the market in that evaluation;

6.6.8 satisfy itself 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;

6.6.9 agree with the Board a policy on the employment of former employees of the Company's auditor, taking into account the Ethical Standard and legal requirements, and monitor the application of this policy;

6.6.10 monitor the level of fees paid by the Company to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of relevant legal, professional and regulatory requirements, guidance and the Ethical Standard;

6.6.11 assess annually 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;

6.6.12 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, without management being present, to discuss the external auditor's remit and any issues arising from the audit;

6.6.13 discuss with the external auditor the factors that could affect audit quality, and 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;

6.6.14 review the findings of the audit with the external auditor. This shall include but not be limited to:

(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) the auditor's views of their interactions with senior management; and

(e) levels of errors identified during the audit.

6.6.15 ensure coordination with the activities of the internal audit function;

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

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

6.6.18 develop and recommend to the board the company’s formal policy on the provision of non-audit services by the auditor, including prior approval of non-audit services by the committee and specifying the types of non-audit service

to be preapproved, 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:

(a) threats to the independence and objectivity of the external auditor and any safeguards in place;

(b) the nature of the non-audit services;

(c) whether the external audit firm is the most suitable supplier of the non-audit service;

(d) the fees for the non-audit services, both individually and in aggregate, relative to the audit fee; and

(e) the criteria governing compensation.

6.6.19 Review the effectiveness of the audit process, 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.

7 REPORTING

7.1 The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings including the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists or, in the opinion of the chair of the Committee, it would be unreasonable to do so. The secretary of the Committee shall ascertain, at the beginning of each Committee meeting, the existence of any conflicts of interest and minute them accordingly.

7.2 The chair of the Committee 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:

7.2.1 the significant issues that it considered in relation to the financial statements (required under paragraph 6.1.1) and how these were addressed;

7.2.2 its assessment of the effectiveness of the external audit process (required under paragraph 6.6.19), the approach taken to the appointment or reappointment of the external auditor, length of tenure of audit firm, when a tender was last conducted and advance notice of any retendering plans; and

7.2.3 any other issues on which the Board has requested the Committee's opinion.

7.3 The Committee shall compile a report on its activities to be included in the Company's annual report. The report should describe the work of the Committee, including:

7.3.1 the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed;

7.3.2 an explanation of how the Committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;

7.3.3 an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services

having regard to matters communicated to it by the external auditor; and all other information requirements set out in the Quoted Companies Alliance (**QCA**) Corporate Governance Code (**QCA Code**).

7.4 In compiling the report referred to in 7.3, 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 Company is a going concern.

7.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7.6 The chair of the Committee shall attend the Company's annual general meeting to answer any questions that shareholders may raise in connection with the Committees activities.

8 OTHER MATTERS

The Committee shall:

8.1 consider other duties determined by the Board from time to time;

8.2 have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance;

8.3 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;

8.4 give due consideration to laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the QCA Code, the AIM Rules and the requirements of the Financial Conduct Authority's and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules as appropriate;

8.5 work and liaise with all other Board committees, taking particular account of any delegation of the impact of risk management and internal controls to different committees;

8.6 oversee any investigation of activities which are within its terms of reference and act as a court of last resort;

8.7 periodically review 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; and

8.8 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. If the board has not accepted the committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include a statement explaining the committee's recommendation and the reasons why the board has taken a different position.

Approved by the Board on 26 March 2025