



# **CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**ENDAVA PLC | JUNE 2018**

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## 1 PURPOSE AND POLICY

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Endava plc (“**Endava**”) is to:

- assist the Board with oversight of Endava’s corporate accounting and financial reporting processes, systems of internal control, and financial-statement audits and the integrity of Endava’s financial statements;
- manage the selection, engagement terms, fees, qualifications, independence, and performance of the registered public accounting firms engaged as Endava’s independent outside auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (the “**Auditors**”);
- review any reports or disclosures required by applicable rules and regulations of the U.S. Securities and Exchange Commission (the “**SEC**”) and the New York Stock Exchange;
- oversee the organization and performance of Endava’s internal audit function, if any;
- help the Board oversee Endava’s legal and regulatory compliance;
- oversee and review Endava’s guidelines and policies that govern the process by which Endava’s exposure to risk is assessed and managed by management; and
- provide regular reports and information to the Board with respect to material issues.

The Committee will maintain and foster an open avenue of communication with Endava’s management, internal audit group, if any, and Auditors. It will also be responsible for any additional duties and responsibilities that the Board mandates.

The “**Public Effective Date**” means the date on which Endava becomes a public reporting company subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and applicable rules and regulations of the SEC.

## 2 COMPOSITION

The members of the Committee, including the Chairperson, will be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee will be filled by the Board. Resignation or removal of a Committee member from the Board for any reason will automatically constitute resignation or removal from the Committee. Before the Public Effective Date, the Committee will consist of at least one member of the Board.

Following the Public Effective Date:

- the Committee will consist of at least three members of the Board;
- each member of the Committee will satisfy:
  - the independence and financial-literacy requirements imposed by the SEC and the stock exchange that lists Endava’s ADSs or ordinary shares, including any exceptions permitted by such requirements;
  - any other qualifications determined by the Board; and
  - any other requirements imposed by applicable law;
- at least one member of the Committee will satisfy the applicable financial-sophistication requirements and any other requirement for accounting or related financial management

expertise as determined by the Board and required by the SEC and New York Stock Exchange; and

- no member of the Committee may serve simultaneously on the audit committee of more than two other public companies.

### 3 AUTHORITY

The Committee will have access to all Endava books, records, facilities and personnel as deemed necessary or appropriate by any member of the Committee. If the Committee concludes that it must retain legal, accounting, or other outside advisors, it may do so and determine compensation for those advisors at Endava's expense. The Committee may also pay any ordinary administrative expenses it deems appropriate in carrying out its duties at the expense of Endava.

The Committee may form and delegate authority to one or more subcommittees to the extent allowed under applicable law. By delegating an issue to a subcommittee, the Committee does not surrender any authority over that issue. Although the Committee may act on any issue that has been delegated to a subcommittee, doing so will not limit or restrict future action by the subcommittee on any matters delegated to it. Any action or decision of a subcommittee, including the preapproval of audit or non-audit services, will be presented to the full Committee at its next scheduled meeting. By approving this Charter, the Board delegates authority to the Committee with respect to these responsibilities.

### 4 RESPONSIBILITIES

The Committee will oversee Endava's financial-reporting process on behalf of the Board. The Auditors and any other registered public accounting firm engaged for the financial reporting process will report directly to the Committee and be accountable to it. The Committee's responsibilities are a guide and should remain flexible to account for changing circumstances and needs. The Committee may supplement or, unless required by law or the New York Stock Exchange, deviate from its duties, as appropriate, and establish policies and procedures consistent with applicable rules and regulations. Following the Public Effective Date the Committee shall have the following responsibilities:

#### 4.1 AUDITOR MANAGEMENT

##### 4.1.1 Selecting Auditors

The Committee will evaluate and make recommendations to the Board, to be put to the shareholders for approval at the annual general meeting, regarding whether to appoint, reappoint or remove any Auditors. The Committee will also evaluate, determine whether to retain and determine the fees of any other registered public accounting firm engaged for the financial reporting process. In addition, the Committee may recommend to the Board to remove the Auditors if circumstances warrant such removal and may replace any other

registered public accounting firm engaged for the financial reporting process with a different public accounting firm.

#### **4.1.2 Approving Audit and Non-Audit Engagements**

The Committee will review audit plans, the adequacy of staffing, the fees to be paid to Auditors, and oversee the negotiation and execution of any engagement letters on behalf of Endava. The Committee will oversee the rotation of the Auditors' partners on Endava's audit engagement team as required by applicable rules and regulations. The Committee will approve all audit and non-audit related services that the Auditors provide to Endava before the engagement begins, unless applicable rules and regulations allow otherwise. The Committee may establish pre-approval policies and procedures or delegate pre-approval authority to one or more Committee members as permitted by applicable rules and regulations.

#### **4.1.3 Auditor Independence**

At least annually, the Committee will assess the qualifications, performance, and independence of the Auditors, including an evaluation of the lead audit partner, or in the case of prospective Auditors, before they are engaged. That assessment will include reviewing written disclosures from any Auditors regarding any relationships they have that may affect independence, as defined by applicable rules and regulations. The Committee will review a written statement from any Auditors affirming their independence, and assess, consider, and discuss with them any potential relationships concerning their objectivity and independence. The Committee will assure the regular rotation of the lead audit partner and consider regular rotation of the accounting firm serving as Endava's independent outside auditors.

#### **4.1.4 Auditor Quality**

At least annually, the Committee will review a report by the Auditors describing the Auditors' internal quality-control procedures and any material issues raised by (i) that firm's internal quality-control review, (ii) any peer review of the firm's internal quality-control procedures or review, or (iii) any inquiry or investigation by governmental or professional authorities conducted in the last five years of any audit performed by the Auditors. As part of this annual review, the Auditors' report will also describe any steps taken to address the issues raised

#### **4.1.5 Former Employees of Auditors**

The Committee will oversee the policies and procedures as required by applicable rules and regulations governing how Endava may employ individuals who are or once were employed by the Auditors.

### **4.2 FINANCIAL REVIEW AND DISCLOSURE**

#### **4.2.1 Annual Audit Results**

The Committee will review with management and the Auditors the results of the annual audit, including:

- the Auditors' assessment of the quality of Endava's accounting principles and practices;

- the Auditors' views about qualitative aspects of Endava's significant accounting practices, the reasonableness of significant judgments, and estimates (including material changes in estimates and analyses of the effects of alternative International Financial Reporting Standards (as adopted by the EU) ("*IFRS*");
- all known and likely misstatements identified during the audit (other than those the Auditors believe to be trivial);
- the adequacy of the disclosures in the financial statements; and
- any other matters that the Auditors must communicate to the Committee under applicable accounting or auditing standards.

#### **4.2.2 Audited Financial Statement Review; Periodic and Annual Reports**

The Committee will review the annual audited financial statements, the quarterly or semi-annual financial statements and, when included in Endava's SEC reports, Endava's "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the Auditors. After the Public Effective Date, the Committee will be responsible for recommending to the Board whether the proposed annual audited financial statements should be included in Endava's Annual Report on Form 20-F or 10-K.

#### **4.2.3 Earnings Announcements**

The Committee will review and discuss with management and the Auditors any earnings press releases and other financial information and guidance regarding Endava's results of operations provided publicly or to ratings agencies.

#### **4.2.4 Annual Report; Proxy Report**

The Committee will oversee the preparation of any report required by applicable rules and regulations to be included in Endava's Annual Report or, after Endava ceases to qualify as a foreign private issuer, the annual proxy statement.

#### **4.2.5 Accounting Principles and Policies**

The Committee will review and discuss with management and the Auditors significant issues regarding accounting principles and financial-statement presentation, including:

- critical accounting policies and practices;
- alternative accounting policies available under IFRS;
- the potential impact on Endava's financial statements of alternative treatments; and
- any other significant reporting issues and judgments, significant regulatory, legal, and accounting initiatives, or developments that may have a material impact on Endava's financial statements, compliance programs, and policies.

The Committee will review with the Auditors and management, if appropriate, any written communication, such as any management letter or internal-control letter, before the Auditors issue it and before management responds to the communication.

#### **4.2.6 Management Cooperation with Audit**

The Committee will review and discuss with the Auditors and management (i) any audit problems or difficulties, including difficulties encountered by the Auditors during their audit work (such as restrictions on the scope of their activities or their access to information), (ii) any significant disagreements with management and (iii) management's response to these

problems, difficulties or disagreements. The Committee will resolve any conflicts or disagreements regarding financial reporting.

## **4.3 INTERNAL CONTROL AND PROCEDURES**

### **4.3.1 Risk Assessment and Management**

The Committee will review and discuss with management and the Auditors Endava's policies on financial risk management and assessment. The Committee will provide regular reports to the Board about material issues affecting the quality or integrity of Endava's financial statements, compliance with legal or regulatory requirements, the performance or independence of the Auditors, the performance of Endava's internal audit function, if any, and other matters as the Committee deems appropriate.

### **4.3.2 Internal Auditors**

Should an internal audit team be established: The Committee will review the audit plan of the internal audit team and discuss with that team the adequacy and effectiveness of the scope, staffing, and general audit approach. The Committee will review any significant reports prepared by Endava's internal auditors, as well as management's response. The head of the internal auditors will also report to and be evaluated by the Committee.

### **4.3.3 Internal Control over Financial Reporting; Disclosure Controls**

The Committee will confer with management and the Auditors concerning the scope, design, adequacy and effectiveness of internal control over financial reporting and Endava's disclosure controls and procedures. The Committee will review reports on significant findings and recommendations with respect to internal controls over financial reporting, together with management responses and any special audit steps adopted in light of any material control deficiencies.

### **4.3.4 Correspondence with Regulators**

The Committee will consider and review with management, the Auditors, and outside advisors or accountants at least annually any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding Endava's financial statements or accounting policies.

### **4.3.5 Complaint Procedures**

The Committee is responsible for overseeing procedures for receiving, retaining, and investigating:

- complaints received by Endava regarding accounting, internal accounting controls, or auditing matters and the confidential; and
- confidential and anonymous submissions by employees concerning questionable accounting or auditing matters.

### **4.3.6 Ethical Compliance**

The Committee will review the results of management's efforts to monitor compliance with Endava's programs and policies adhering to applicable laws and rules, including Endava's Code of Business Conduct and Ethics.

### **4.3.7 Related Party Transactions**

The Committee will review and approve, in accordance with Endava's policies, any related party transaction as defined by applicable rules and regulations.

## **4.4 OTHER MATTERS**

### **4.4.1 Committee Self-Assessment**

The Committee will annually evaluate its performance and the adequacy of this Charter.

### **4.4.2 Other Legal and Finance Matters**

The Committee will review with management legal and regulatory compliance and any actual, pending, or threatened legal or financial matters that could significantly affect Endava's business or financial statements or as otherwise deemed appropriate by the Committee.

### **4.4.3 General Authority**

The Committee will perform such other functions and have such other powers as may be necessary or appropriate in complying with the policies of this Charter.

The Committee shall perform all its duties on the basis of the considerations required to be taken into account by the rules of the New York Stock Exchange, all applicable codes of practice and laws (including the UK Corporate Governance Code and associated guidance) and the Committee's view of good practice at the relevant time. In addition, while carrying out its duties, the Committee shall have due regard to their duties as directors of the Companies Act 2006.

The Committee's responsibility is one of oversight. The members of the Committee are not employees of Endava, and they do not perform management's or any Auditors' functions. The Committee relies on the expertise and knowledge of management, the internal auditors, and any Auditors in carrying out its oversight responsibilities. Management is responsible for preparing accurate and complete financial statements in accordance with IFRS, crafting periodic reports, and establishing and maintaining appropriate accounting principles and financial reporting policies and satisfactory internal control over financial reporting. The Auditors will audit Endava's annual consolidated financial statements and, when required, the effectiveness of Endava's internal control over financial reporting and review Endava's quarterly or semi-annual financial statements. It is not the Committee's responsibility to prepare or certify Endava's financial statements, guarantee the audits or reports of the Auditors, certify as to whether any Auditors are "independent" under applicable rules, or ensure that the financial statements or periodic reports are complete and accurate, conform to IFRS, or otherwise comply with applicable laws and Endava's policies.

## **5 MEETINGS AND MINUTES**

The Committee will meet whenever its members deem a meeting necessary or appropriate. Following the Public Effective Date, the Committee will meet at least quarterly, but may meet

more frequently if its members deem doing so necessary or appropriate. The Committee will determine where and when to meet and provide this schedule in advance to the Board.

Unless otherwise directed by the Committee, each regularly scheduled meeting will conclude with an executive session that excludes members of management. As part of its responsibility to foster open communication, the Committee will meet periodically with management, personnel in charge of the internal audit function and the Auditors in separate executive sessions. From time to time, or when requested by the Board, the Chairperson of the Committee will report to the Board.

The Committee will maintain written minutes of its meeting and regularly report to the Board on its actions and recommendations. The Committee may act by unanimous written consent; when it does so, those actions will be filed in the minute book.

## 6 POLICY REVISION

Revision	Date of revision	Description of update	Updated by
1.0	28.06.2018	Initial version	Approved by the Board
2.0	10.01.2019	Document was updated with the latest company template	Natalia Belicova