

**Kofax plc (the “Company”)  
Audit Committee Terms of Reference**

**1. Membership**

- 1.1. Members of the Audit Committee (the “Committee”) shall be appointed by the board of directors of the Company (the “Board”) from among the non-executive directors of the Company who in the opinion of the Board are independent.
- 1.2. The Committee shall consist of not less than three members, and at least one member should have recent and relevant financial experience.
- 1.3. The Board shall appoint the chairman of the Committee (the “Chairman”).
- 1.4. Appointments to the Committee shall serve until their resignation, removal or replacement, provided that continuation of each appointment shall be reviewed annually by the Board.
- 1.5. The Company secretary shall act as the secretary of the Committee (the “Secretary”).

**2. Meetings**

- 2.1. The Committee shall meet at least four times each financial year. Committee meetings shall also be called by the Secretary at the request of any of the Committee’s members or at the request of the external or internal auditors if they consider it necessary. The Secretary shall draw up an agenda for each meeting, which shall be circulated to the members prior to the meeting.
- 2.2. Quorum for meetings of the Committee shall be two members. The attendance of Committee members at meetings of the Committee shall be reported in the Company’s annual reports.
- 2.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other Board members, the chief executive officer, the chief financial officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.4. The Committee shall meet with the external auditors at least once a year without executive Board members present.
- 2.5. 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.
- 2.6. If a matter that is considered by the Committee is one in which a member of the Committee, either directly or indirectly, has a personal interest, that member shall not be permitted to vote at the meeting.
- 2.7. Save where he has a personal interest, the Committee Chairman will have a casting vote.
- 2.8. The Secretary shall minute the proceedings and resolutions of all Committee meetings and draft minutes of each meeting shall be circulated to all Committee members for approval by the Committee at the next regularly scheduled Committee meeting. On finalisation and signature by the Secretary, a copy of the minutes shall be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board.

**3. Responsibilities**

- 3.1. The Committee shall monitor the integrity of the Company’s financial statements, annual and half-yearly reports, interim management statements, preliminary results announcements or other announcements of financial performance, reviewing significant financial reporting issues and

judgements they contain, significant financial returns to regulators, and any financial information contained in documents published by the Company.

3.2. In addition, the Committee shall:

3.2.1. review and present recommendations to the Board regarding approval of any financial statements to be made (including the Company's annual accounts) or financial information to be disclosed by the Company, in particular considering:

3.2.1.1. whether published accounting standards, legal and regulatory requirements (including the Combined Code on Corporate Governance published by the Financial Reporting Council in June 2008 (as amended)) and generally accepted best practice has been followed, appropriate estimates and judgements have been made, and the views of the external auditor have been taken into account; and

3.2.1.2. changes in accounting policies and practices, and the reasons for and effects of those changes;

3.2.2. review and challenge where necessary the methods used to account for significant or unusual transactions where different approaches were possible;

3.2.3. review the adequacy and effectiveness of the Company's Code of Ethics, internal controls and risk management processes; and

3.2.4. review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

#### **4. External Audit**

4.1. In relation to the Company's external auditor, the Committee shall:

4.1.1. recommend the appointment, reappointment or removal of the external auditor and consider any issues relating to their resignation, dismissal, remuneration or terms of engagement. If the Board does not accept the Committee's recommendation, the Committee shall publish in the Company's annual report, and in any documents recommending appointment or re-appointment, a statement explaining the recommendation and why the Board has taken a different position;

4.1.2. consider and keep under review, the external auditor's independence, objectivity and effectiveness;

4.1.3. review and monitor the effectiveness of the audit process, considering relevant UK professional and regulatory requirements;

4.1.4. develop and implement policy on the engagement of the external auditor to provide non-audit services;

4.1.5. review the balance between cost effectiveness and objectivity in respect of the overall services (including non-audit services) provided;

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

- 4.1.7. develop and implement policy on the employment of former or existing employees of the Company's external auditor; and
- 4.1.8. approve the external auditors' annual proposals regarding the level of audit fees and the nature and scope of proposed audit coverage.

## **5. Internal Audit**

- 5.1. In relation to the Company's internal audit function, the Committee shall:
  - 5.1.1. monitor and review the effectiveness of the company's internal audit function in the context of the overall risk management system;
  - 5.1.2. approve the appointment and removal of the head of the internal audit function;
  - 5.1.3. consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
  - 5.1.4. review, assess and approve the annual internal audit plan and any changes thereto;
  - 5.1.5. review promptly all reports on the Company from the internal auditor(s);
  - 5.1.6. review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and
  - 5.1.7. meet the head of internal audit at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the chairman of the board, and to the Committee to discuss matters that, due to their potential complicity, are not appropriate to discuss with the Chief Financial Officer and / or Chief Executive Officer.

## **6. Authority**

- 6.1. The Committee is authorised to seek any information it may require from directors, officers or other employees of the Company and all staff are directed to co-operate with any reasonable request made by the Committee.
- 6.2. The Committee is authorised to obtain, at the Company's expense, reasonable outside legal or other independent professional advice on any matters within its Terms of Reference. The Committee will inform the Secretary of such requests.

## **7. Reporting**

- 7.1. The Chairman of the Committee shall report directly to the Board on matters discussed at each Committee meeting.
- 7.2. The work of the Committee shall be described in a separate section of the Company's annual report.
- 7.3. The Chairman of the Committee should make himself available at each annual general meeting of the Company and shall answer questions, through the chairman of the Board, concerning the Committee's work during the preceding year.

7.4. The Committee shall have regard to necessary guidance produced from time to time by the Institute of Chartered Secretaries and Administrators and any other institutional bodies it considers appropriate.

**8. Other**

8.1. The Committee's Terms of Reference shall be made available to anyone who requests them.

8.2. The Committee shall, at least once a year, review its own performance, 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.

8.3. These Terms of Reference may only be amended by a resolution of the Board.