

BOXHILL TECHNOLOGIES PLC (the "Company")

TERMS OF REFERENCE OF THE AIM RULES COMPLIANCE COMMITTEE

December 2016

CONSTITUTION

- 1** The board hereby resolves to establish a committee of the board to be known as the 'AIM Rules Compliance Committee' (the "Committee").

DUTIES AND TERMS OF REFERENCE

- 2** The Committee of shall:
 - (a) ensure that procedures, resources and controls are in place to ensure AIM Rules for Companies ("AIM Rules") compliance within the Company are operating effectively from time to time;
 - (b) ensure that each meeting of the full board should include a discussion of AIM matters, in particular a briefing of the Committee by the executive directors and issues raised with the Nominated Adviser and advice given. These discussions should be minuted and made available to the Nominated Adviser on request;
 - (c) ensure that the executive directors are communicating as necessary with the company's Nominated Adviser regarding ongoing compliance with the AIM Rules and in relation to proposed or potential transactions;
 - (d) ensure that advice received from the Nominated Adviser is recorded and taken into account;
 - (e) ensure that all announcements made have been verified and approved by the Nominated Adviser whose name must be on all material announcements to RNS;
 - (f) monitor press coverage to ensure that executives are not including price sensitive information in any press briefings;
 - (g) question the executive board to ascertain the reasons for any unusual, substantial movement in the Company's share price;
 - (h) ensure that the Nominated Adviser is supplied with information on the Company's and its subsidiaries' (together the "Group") financial condition on a regular and timely basis and of any other key developments in the Company and/or the Group from time to time;
 - (i) assess (with the assistance of the Nominated Adviser and the Company's other Advisers) whether the executive directors are aware of their AIM responsibilities from time to time and, where any deficiencies are noted, arrange for the Nominated Adviser to brief the director(s) concerned;

- j) ensure that the Nominated Adviser is maintaining contact with the Company on a regular basis. Where this is not the case, the Committee should contact the Nominated Adviser and remind them of their responsibilities under the AIM Rules for Nominated Advisers to the Company;
- (k) circulate to other members of the board details of any rule changes which are notified to the Chairman of the Committee by the Nominated Adviser (provided the Nominated Adviser notifies any such changes to the Chairman of the Committee it will be his/her responsibility to circulate these changes to the rest of the board);
- (l) meet with the executive directors at least every 6 months to discuss and confirm that the AIM Rules have been complied with in the period. Keep minutes of these meetings and send a copy of these minutes to the Nominated Adviser;
- (m) in the event that the meeting with the executive directors has identified any actual or possible non-compliance issues, these should be discussed immediately with the Nominated Adviser to determine the course of action to be taken;
- (n) ensure the executive directors take into account advice given by the Nominated Adviser from time to time;
- (o) be responsible for any investigation launched by the AIM Team into the Company's affairs; and
- (p) approve a statement on AIM Rule compliance for inclusion in the Company's interim statement and annual accounts in the attached form.

MEMBERSHIP

- 3.** The members of the Committee shall be appointed by the board of directors from amongst the directors of the Company.
- 4.** The chairman of the Committee shall be appointed by the Board.
- 5.** The Committee shall consist of at least two members, one of which to be a non-executive director. A quorum shall be any two members. 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.

ATTENDANCE AT MEETINGS

- 6.** Only members of the Committee shall have the right to attend Committee meetings. However, both other board members and any other persons that the Committee considers appropriate may be invited to attend all or part of any meeting.
- 7.** The Company's Nominated Adviser shall be invited to attend all Committee meetings but shall not be required to attend.
- 8.** The Committee may at each meeting appoint one of their number to be the secretary of the Committee.

FREQUENCY OF MEETINGS

9. The Committee shall meet at least twice a year. The Committee may meet at other times during the year as agreed between the members of the Committee.
10. Further extraordinary meetings of the Committee shall be convened if requested by the Company's Nominated Adviser.
11. Notwithstanding the foregoing, the members of the Committee shall report to the Company's Nominated Adviser on any matter falling within their terms of reference at the earliest possible opportunity in line with the general objective and purpose of the Committee and shall not wait for a formal meeting of the Committee before so reporting.

NOTICE OF MEETINGS

12. Meetings of the Committee shall be summoned by the company secretary at the request of the chairman of the Committee.
13. 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 no later than 7 days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee (as appropriate) at the same time.

VOTING ARRANGEMENTS

14. 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.
15. 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.
16. Save where he has a personal interest, the chairman will have a casting vote.

AUTHORITY

17. The Committee is authorised by the board to carry out any action within its terms of reference. In this respect the members of the Committee have been given full power and authority to perform, approve, execute, deliver and/or issue all things which the Committee considers necessary or expedient in connection with the Company's admission to and subsequent trading on AIM, or any matter incidental thereto.
18. The Committee is authorised to seek any information they may require from any employee and all employees will be directed to co-operate with any request made by the Committee.
19. The Committee is authorised by the board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if the Committee considers this necessary.

REPORTING

- 20.** Draft minutes of each meeting will be circulated to all members of the Committee. On finalisation and signature by the chairman, the minutes of each meeting will be submitted to the board of directors as a formal record of the decisions of the Committee on behalf of the board of directors.

GENERAL MATTERS

- 21.** Finalised minutes of the meetings of the Committee will be circulated to the members of the board of directors as part of the board papers for each full meeting of the board of directors.
- 22.** A representative of the Committee shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.
- 23.** The recommendations of the Committee minutes must be approved by the board of directors before they can be implemented.
- 24.** 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 of directors for approval.