

RPS GROUP PLC – BOARD COMMITTEE TERMS OF REFERENCE

Audit Committee – Terms of Reference

Reference to “the Committee” shall mean the Audit Committee.

Reference to “the Board” shall mean the Board of Directors of RPS Group Plc

1. Membership

- 1.1 The Committee shall have at least two members and such members will be appointed by the Board.
- 1.2 All members of the Committee shall be independent non-executive Directors at least one of whom shall have recent and relevant financial experience ideally with a professional qualification from one of the professional accountancy bodies.
- 1.3 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chairman, Chief Executive, Finance Director and other Executives may be invited to attend all or part of any meetings as and when appropriate and necessary.
- 1.4 The external auditors will be invited to attend meetings of the Committee on a regular basis.
- 1.5 The Board shall appoint the Chairman of the Committee. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present at any meeting shall elect one of their number to chair the meeting.

2. Secretary

- 2.1 The Company Secretary shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers no later than four days before the date of meetings.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be 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.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

- 4.2 Outside the formal meeting programme, the Committee Chairman will maintain a dialogue with key individuals involved in the Company's governance, including the Board Chairman, the Chief Executive, the Finance Director, the Company Secretary and the external audit lead partner.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman or any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be considered and supporting papers, shall be forwarded to each member of the Committee and any other director required to attend.

6. Minutes of Meetings

- 6.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee.
- 6.2 Minutes of Committee meetings shall be circulated to all members of the Board.

7. Annual General Meeting

- 7.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any questions from shareholders relating to the Committee's activities.

8. Duties

The Committee shall carry out those duties as detailed below.

8.1 Financial Reporting

- 8.1.1 The Committee shall review the integrity of the financial statements of the Company, including its annual and half year reports, trading updates, and announcement of the final results. . The Committee shall report its views to the Board if it is not satisfied with any aspect of the proposed financial reporting.

- 8.1.2 The Committee shall review and challenge where necessary:

8.1.2.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Company/Group;

8.1.2.2 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;

- 8.1.2.3 the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
- 8.1.2.4 all material information presented with the financial statements, including the Strategic Report; and
- 8.1.2.5 at the request of the Board, whether the financial statements and annual report presented by the Group taken as a whole are fair balanced and understandable and provides the necessary information for shareholders to assess the Company's performance.

8.2 Internal Controls and Risk Management Systems

The Committee shall:

- 8.2.1 keep under review the adequacy and effectiveness of the Company's ongoing internal financial controls and risk management systems and ensure that a formal review of such systems is undertaken on at least an annual basis.
- 8.2.2 review the statements to be included in the Annual Report concerning internal controls and risk management.

8.3 Compliance, Whistleblowing and Fraud

The Committee shall:

- 8.3.1 review the Company's adequacy and security of arrangements for its employees to raise concerns, in confidence, about possible improprieties in matters of financial reporting and to ensure that concerns raised are independently and proportionately investigated.
- 8.3.2 review the Company's procedures for detecting fraud.

8.4 Internal Audit

The Committee shall review the need for an internal audit function on at least an annual basis.

8.5 External Audit

The Committee shall:

- 8.5.1 consider and make recommendations to the Board to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor as well as giving consideration to external tendering at least every five years.
- 8.5.2 oversee the relationship with the external auditor including (but not limited to):

- 8.5.2.1 recommendations as to the external auditor's remuneration;
- 8.5.2.2 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;
- 8.5.2.3 satisfying 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);
- 8.5.2.4 monitoring the auditor's compliance with relevant ethical and professional guidance; and
- 8.5.2.5 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.
- 8.5.2.6 agreeing with the external auditors who the audit partner responsible for the audit should be;
- 8.5.3 meet regularly with the external auditor, including once at the planning stage before the annual audit, once after the annual audit at the reporting stage once following the interim review at the reporting stage as well as meeting the external auditor at least once a year, without management being present;
- 8.5.4 review and approve the annual audit plan;
- 8.5.5 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - 8.5.5.1 a discussion of any major issues which arose during the audit;
 - 8.5.5.2 any accounting and audit judgements;
 - 8.5.5.3 levels of errors identified during the audit; and
 - 8.5.5.4 the overall effectiveness of the audit.

The Committee shall also:

- 8.5.6 review any representation letter(s) requested by the external auditor before they are signed by management;
- 8.5.7 review the management letter and management's response to the auditor's findings and recommendations;

8.5.8 develop 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 guidance on the matter and to keep the policy under review;

8.5.9 agree the Company's policy for the employment of former employees of the external auditor, who had been part of the audit team.

9. Reporting Responsibilities

9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

10. Other Matters

The Committee shall:

10.1 have access to sufficient resources in order to carry out its duties.

10.2 be provided with such training as may reasonably be required.

10.3 oversee any investigation of activities which are within its terms of reference.

10.4 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating effectively within the context of the Group's requirements and recommend any changes it considers necessary to the Board for approval.

11. Authority

The Committee is authorised:

11.1 to seek any information it requires from any employee of the Company in order to perform its duties, after informing the Group CEO it intends to do so.

11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference/remit, after informing the Group Chairman it intends to do so.

Remuneration Committee – Terms of Reference

Composition

The Committee shall be appointed by the Board and shall comprise three Independent Non-Executive Directors. .

The Board will appoint a suitably qualified Independent Non-Executive Director to chair the Committee.

The Chairman of the Board, Chief Executive and other executives of the Group may attend meetings by invitation. The Committee's externally appointed Remuneration advisers will be invited to attend meetings of the Committee on a regular basis.

The Company Secretary will act as Secretary of the Committee.

Quorum

The quorum necessary for the transaction of business is two. 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.

Frequency of Meetings

The Committee shall meet at appropriate times in the year taking account of the Group's remuneration cycle.

Notice of Meetings

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

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 no fewer than five working days prior to the date of the meeting.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Minutes of Committee meetings shall be circulated to all members of the Committee and at the Committee's discretion may be made available to other members of the Board.

Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

Committee Authority

The Committee shall have the authority to request relevant information from any employee and employees shall be expected to respond accordingly.

The Committee may appoint external remuneration advisers and take other external professional advice with respect to its responsibilities and duties.

Committee Responsibilities and Duties

- The Committee has been delegated responsibility by the Board to determine and agree with the Board the framework or broad policy for remuneration of the Executive Directors and Senior Employees of the Company; the remuneration of Non-Executive-Directors is a matter for the executive members of the Board who, when necessary, take advice from independent consultants. No Director or manager shall be involved in any decisions as to their own remuneration;
- Within the terms of the agreed policy, to determine the total individual remuneration package of each Executive Director including, where appropriate, bonuses, benefits and long term incentive allocations;
- To determine the policy for and scope of pension arrangements for each Executive Director;
- To determine targets for any performance related pay and share schemes operated by the Company;
- In determining such packages and arrangements, give due regard to the comments and recommendations of the Combined Code as well as the Listing Rules of the Financial Services Authority and associated guidance;

- To ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised, in line with the statement of best practice in the ABI guidelines;
- To ensure that provisions regarding disclosure of remuneration, including pensions, as set out in The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code are fulfilled;
- To be aware of and advise on any major changes in employee benefit structures throughout the Company or Group; and
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

Nomination Committee – Terms of Reference

Composition

The Committee shall be appointed by the Board and shall comprise a Chairman and at least two other members. A majority of members of the Committee shall be independent Non-Executive Directors.

In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair any meeting.

Other Directors of the Company may attend by invitation.

The Company Secretary will act as the Secretary of the Committee.

Quorum

The quorum necessary for the transaction of business is two. 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.

Frequency of meetings

The Committee shall meet not less than once a year and on other occasions as the Board or any member of the Committee requires.

Notice of meetings

Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

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 no fewer than five working days prior to the date of the meeting. As far as practical, meetings shall be held immediately before or after meetings of the Main Board.

Minutes of meetings

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Minutes of Committee meetings shall be circulated to all members of the Committee and be made available on request to other members of the Board.

Annual General Meeting

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

Committee Authority

The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within the terms of reference.

Duties

The Committee shall:

- Regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- Prepare a description of a role and capabilities required for a particular appointment;
- Be responsible for identifying and nominating for approval of the Board candidates to fill Board vacancies as and when they arise;
- Satisfy itself with regards to succession planning, that the processes and plans are in place with regards to the Board and senior appointments;
- Assess and articulate the time needed to fulfil the role of Chairman, Senior Independent Director and Non-Executive Director, and undertake an annual performance evaluation to ensure that all members of the Board have devoted sufficient time to their duties;

- Ensure on appointment that a candidate has sufficient time to undertake the role and review his commitments; and
- Ensure that the Secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman.

It shall also make recommendations to the Board:

- With regard to the Chairman having assessed whether the present incumbent shall continue in post, taking into account the needs of continuity versus freshness of approach;
- As regards the reappointment of any Non-Executive Director at the conclusion of his or her specified term of office; especially when they have concluded their second term;
- For the continuation (or not) in service of any Director who has reached the age of 70;
- Concerning the re-election by shareholders of any Director under the provisions in the Company's articles of association and the UK Governance Code;
- Concerning any matters relating to the continuation in office as a Director of any Director at any time: and
- Concerning the appointment of any Director to Executive or other office other than to their positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of:
 - All the Non-Executive Directors regarding the position of Chief Executive;
 - All the Directors regarding the position of Chairman; and
- Detailing items that should be published in the Company's Annual Report relating to the activities of the Committee.