

Board Committees

Terms of Reference

Audit Committee

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

Reference to “the Board” shall mean the Board of Directors.

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.

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 As far as practicable or 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 no later than four days prior to the meeting.

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 announcements of 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 provide 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

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

8.5 Treasury and Taxation

- 8.5.1 The Committee shall review the Company's tax strategy, tax compliance and policies on at least an annual basis.
- 8.5.2 The Committee shall review the Company's treasury strategy and policies on at least an annual basis.

8.6 External Audit

The Committee shall:

- 8.6.1 consider and make recommendations to the Board to be put to shareholders for approval at the Annual General Meeting, 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.

- 8.6.2 oversee the relationship with the external auditor including (but not limited to):
 - 8.6.2.1 agreeing the external auditor's remuneration;
 - 8.6.2.2 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;
 - 8.6.2.3 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);
 - 8.6.2.4 monitoring the external auditor's compliance with relevant ethical and professional guidance;
 - 8.6.2.5 assessing annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures;
 - 8.6.2.6 agreeing with the external auditor who the audit partner responsible for the audit should be and
 - 8.6.2.7 agreeing terms of engagement with the external auditors.
- 8.6.3 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;
- 8.6.4 review and approve the annual audit plan; incorporating principal areas of risk, audit scope and level of materiality;
- 8.6.5 agree the auditors terms of engagement and fees;
- 8.6.6 review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
 - 8.6.6.1 a discussion of any major issues which arose during the audit;
 - 8.6.6.2 any accounting judgements and estimations;
 - 8.6.6.3 levels of errors identified during the audit; and
 - 8.6.6.4 the overall effectiveness of the audit.

The Committee shall also:

- 8.6.7 review any representation letter(s) requested by the external auditor before they are signed by management;
- 8.6.8 review the management letter and management's response to the auditor's findings and recommendations;
- 8.6.9 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;
- 8.6.10 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.
- 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

*Reference to “the Committee” shall mean the Remuneration Committee.
Reference to “the Board” shall mean the Board of Directors.*

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.
- 1.3 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chief Executive and other Senior Executives may be invited to attend all or part of any meetings as and when appropriate and necessary.
- 1.4 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.

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 once a year and otherwise as required for the proper conduct of its business.
- 4.2 Outside the formal meeting programme, the Committee Chairman will maintain an appropriate dialogue with key individuals involved in the Company’s governance including the Chief Executive.

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 As far as is practicable or 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 no later than four days prior to the meeting.

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 Committee and may at the discretion of the Committee be circulated to other 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 To determine and agree with the Board for recommendation to shareholders the overall remuneration policy for the Executive Directors and Chairman of the Company.
- 8.2 Within the framework of the overall policy to determine the remuneration package of each Executive Director including basic salary, participation in short and long-term incentive plans and other benefits.
- 8.3 Within the framework of the overall policy to determine the pension arrangements applicable to Executive Directors.
- 8.4 To determine the targets applicable to short and long-term incentive plans in which the Executive Directors participate.
- 8.5 To ensure that terms on cessation of Executive Director employment are reasonable and maintain an appropriate balance between fairness and the Company's obligation to mitigate loss.
- 8.6 To review and/or approve any changes to the remuneration of senior executives of the Company who report to the Chief Executive and other senior executives of the Company below Executive Director level as required by the Board from time to time.
- 8.7 To ensure that the Company complies with its disclosure obligations relating to remuneration as required by law and regulation from time to time and taking account of the relevant provisions of the UK Governance Code.
- 8.8 To be exclusively responsible for the selection and appointment of any remuneration consultants who advise the Committee.

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.

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 if required from any employee of the Company in order to perform its duties, after informing the Group Chief Executive of its intention 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.

Nomination Committee

*Reference to “the Committee” shall mean the Nomination Committee.
Reference to “the Board” shall mean the Board of Directors.*

1. Membership

- 1.1 The Committee shall have at least two members and such members will be appointed by the Board.
- 1.2 Members of the Committee shall be independent Non-Executive Directors although, subject to the Committee consisting of a majority of independent Directors, the Group Chairman may also serve as a member of the Committee.
- 1.3 Only members of the Committee have the right to attend Committee meetings. Other individuals such as the Chief Executive and other Senior Executives may be invited to attend all or part of any meetings as and when appropriate and necessary.
- 1.4 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.

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 once a year and otherwise as required for the proper conduct of its business.
- 4.2 Outside the formal meeting programme, the Committee Chairman will maintain an appropriate dialogue with key individuals involved in the Company’s governance including the Chief Executive.

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 As far as is practicable or 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 no later than four days prior to the date of the meeting.

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 Committee and may at the discretion of the Committee be circulated to other 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 To keep under review the structure, size and composition and diversity of the Board taking account of the balance skills required to enable the Board to discharge its functions.
- 8.2 Taking account of the above and vacancies as they arise to make recommendations to the Board from time to time as to Board composition and membership.
- 8.3 To prepare descriptions of roles and required capabilities for particular appointments.
- 8.4 To keep under review Board succession planning and the succession planning for key senior executive roles of the Group over the longer term.
- 8.5 To be aware through the Chief Executive of appointments to key senior leadership positions within the Group and longer term succession for such roles.
- 8.6 To assess the time needed to fulfil the role of Chairman, Senior Independent Director and Non-Executive Director to ensure that incumbent Directors and candidates for such roles have sufficient time available.
- 8.7 To make recommendations to the Board regarding the re-election of Directors under the annual re-election provisions of the UK Governance Code.
- 8.8 To make recommendations to the Board with regard the reappointment of any Non-Executive Directors on expiry of their terms of office with particular regard to any term exceeding six years.

- 8.9 To make recommendations to the Board concerning any matter relating to the continuation in office of any Director.

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.

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 if required from any employee of the Company in order to perform its duties, after informing the Group Chief Executive of its intention 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.