

## **GOVERNANCE COMMITTEE – TERMS OF REFERENCE**

### **1. Membership**

- 1.1 The Committee shall be appointed by the Board and shall comprise of a Chairman, the Chairman of the Company, / Managing Director & CFO and at least two other members.
- 1.2 A majority of members of the Committee shall be independent non-executive directors.
- 1.3 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 1.4 If a regular member is unable to act due to absence, illness or any other cause, the Chairman of the Committee may appoint another director of the Company to serve as an alternate member having due regard to maintaining the required balance of executive and independent non-executive members.
- 1.5 Care should be taken to minimise the risk of any conflict of interest which might be seen to give rise to an unacceptable influence. (It is recommended that, where possible, the Chairman and members of the Committee should be rotated on a regular basis taking into account the benefits of continuity versus freshness of approach.)

### **2. Secretary**

- 2.1 The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

### **3. Quorum**

- 3.1 The quorum necessary for the transaction of business shall be three of whom at least two must be non-executive directors. 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 not less than twice a year and at such other times as the Chairman of the Committee shall require.

### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2 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 three working days prior to the date of the meeting.

## **6. Minutes of Meetings**

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated to all members of the Committee and to the Chairman of the Board and made available on request 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 shareholder questions on the Committee's activities.

## **8. Duties**

- 8.1 The Committee shall:
  - 8.1.1 review and approve the Committee structure of the Board and the mandates of those Committees and ensure that such mandates are regularly reviewed;
  - 8.1.2 monitor the operation of the UK Corporate Governance Code (the "Code") and its implementation by the Company;
  - 8.1.3 review and approve changes to the Board's corporate governance practices and policies, including role profiles, monitor the Company's compliance with the Code and with all applicable legal, regulatory and listing requirements;
  - 8.1.4 review developments in corporate governance generally and advise the Board periodically with respect to significant developments in the law and practice of corporate governance and recommend the approach to be taken by the Company in relation to such corporate governance standards;
  - 8.1.5 review and approve any material information of the Company made public or made available to any public body by the Company relating to corporate governance; and
  - 8.1.6 ensure that adequate processes are in place for carrying out an annual evaluation of the Board, its committees and the Chairman and ensure that such evaluations are carried out and that all recommended follow-up actions are assigned and completed;
- 8.2 The Committee shall also make recommendations to the Board:
  - 8.2.1 detailing items that should be published in the Company's Annual Report relating to the activities of the Committee; and
  - 8.2.2 concerning any changes or additional actions deemed necessary in order to ensure the Company's compliance with the Code and any other applicable legal, regulatory and listing requirements and such other standards as the Committee considers appropriate.

**9. Authority**

- 9.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 9.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.