

Committees.

The Group has established the following committees, effective from admission:

1. Audit committee
2. Joint Remuneration and Nominations committee

All committees will consist solely of non-executive directors.

Audit Committee

The audit committee will be chaired by Barrie Clapham.

The audit committee will meet at least three times per annum and will be responsible for ensuring that appropriate financial reporting procedures are properly maintained and reported on and for meetings with the Group's auditors and reviewing their reports on the accounts and the Group's internal controls.

A full list of the audit committee's responsibilities is included below.

Remuneration and Nominations Committee.

The joint remuneration and nominations committee will be chaired by Liz Kynoch.

The joint remuneration and nominations committee will meet at least twice a year and will be responsible for reviewing the performance of the executive Directors, setting their remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme (LTIP or other schemes) and, in particular, the price per share and the application of performance criteria which may apply to such grants.

The committee will also be responsible for leading the process of board appointments and making recommendations to the Board in this regard.

A full list of the joint remuneration and nominations committee's responsibilities is included below.

Audit committee roles and responsibilities.

The board should satisfy itself that at least one member of the audit committee has recent and relevant financial experience.

The main roles and responsibilities of the audit committee should be set out in written terms of reference and should include:

- to monitor in discussion with the auditors the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgments contained in them;
- to review the company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the board itself, to review the company's internal control and risk management systems;
- to monitor and review the effectiveness of the company's internal audit functions [if applicable] and, where there is no internal audit function, consider annually whether there is a need for an internal audit function and make a recommendation to the board;
- to make recommendations to the board, for it to put to the shareholders for their approval in the general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant external guidance regarding the provision of non-audit services by the external audit firm;
- and to report to the board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken;
- to review arrangements by which staff of the company may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action



- Remuneration committee roles and responsibilities.
- The committee should:
 - determine and agree with the board the framework or broad policy for the remuneration of the chief executive, the chairman of the company (where executive) and such other members of the executive management as it is designated to consider;
 - at a minimum, the committee should have delegated responsibility for setting remuneration for all executive directors, the chairman and, to maintain and assure their independence, the company secretary: the committee should also recommend and monitor the level and structure of remuneration for senior management;
 - the remuneration of non-executive directors (including the chairman if non-executive) shall be a matter for the chairman (if executive) and executive members of the board;
 - no director or manager should be involved in any decisions as to their own remuneration; determine targets for any performance-related pay schemes operated by the company;
 - 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 recognized;
 - within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options;
 - co-ordinate closely with the Nomination Committee in relation to the remuneration to be offered to any new executive director be aware of and advise on any major changes in employees benefit structures throughout the company or group;
 - agree the policy for authorizing claims for expenses from the chief executive and chairman; ensure that provisions regarding disclosure, including pensions, as set out in the Directors
 - Remuneration Report Regulations 2002, are fulfilled;
 - be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee; and make available the committee's terms of reference which should set out the committee's delegated responsibilities and be reviewed and, where necessary, updated annually.



Nomination committee roles and responsibilities.

The committee should:

- **be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise, save that appointments as chairman and chief executive should be matters for the whole board;**
- **before making an appointment, evaluate the balance of skills, knowledge and experience on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;**
- **review annually the time required from a non-executive director and assess whether the non-executive director is spending enough time to fulfill their duties;**
- **consider candidates from a wide range of backgrounds;**
- **give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the company and the skills and expertise therefore needed on the board, reporting to the board regularly;**
- **regularly review the structure, size and composition (including the skills, knowledge and experience) of the board and make recommendations to the board with regard to changes;**
- **keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;**
- **make a statement in the annual report about its activities; the process used for appointments and explain if external advice or open advertising has not been used;**
- **the membership of the committee, number of committee meetings and attendance over the course of the year;**
- **and ensure that on appointment to the board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings consider and make recommendations to the board about the re-appointment of any non-executive director at the conclusion of their specified term of office or retiring in accordance with the company's Articles of Association.**
- **Consider and make recommendations to the board on any matter relating to the continuation in office of any director at any time.**