

**Windar Photonics plc**  
(the **Company**)

**TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE**

In these Terms of Reference:

**Audit Committee** means the audit committee appointed by the Board

**Board** means the board of directors of the Company;

**Chairman** means the chairman of the Board;

**Chief Executive** means the chief executive officer of the Company;

**Committee** means the Nomination Committee;

**Group** means the Company and its subsidiary undertakings from time to time; and

**Remuneration Committee** means the remuneration committee appointed by the Board.

## **1 Introduction**

These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee for compliance with the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies produced by the Quoted Companies Alliance and to assist the Committee in achieving best practice in corporate governance for the Group.

## **2 Constitution**

The Committee was constituted at a full meeting of the board of directors held on 8 January 2015 in accordance with the articles of association of the Company.

## **3 Duties and terms of reference**

3.1 The Committee shall:

- (a) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- (b) give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future;
- (c) be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;

- (d) before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - (i) use open advertising or the services of external advisers to facilitate the search;
  - (ii) consider candidates from a wide range of backgrounds; and
  - (iii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- (e) for the appointment of a Chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changes to the chairman's commitments should be reported to the Board as they arise;
- (f) prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;
- (g) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (h) keep up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates;
- (i) review the results of the board performance evaluation process that relate to the composition of the Board;
- (j) review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- (k) 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; and
- (l) work and liaise as necessary with other board committees.

3.2 The Committee shall also make recommendations to the Board concerning:

- (a) formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
  - (b) suitable candidates for the role of senior independent director;
  - (c) membership of the Audit and Remuneration Committees, and any other board committees as appropriate, in consultation with the Chairmen of those committees;
  - (d) the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
  - (e) the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to directors being re-elected for a term beyond six years);
  - (f) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and
  - (g) the appointment of any director to executive or other office.
- 3.3 The Committee shall also consider such other matters as may be requested by the Board from time to time.

## **4 Membership**

- 4.1 The members of the Committee shall be appointed by the Board. The majority of the members of the Committee should be independent non-executive directors. The Board shall appoint the chairman of the Committee who should be either the Chairman or an independent non-executive director. The Chairman shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.
- 4.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of three years provided the director still meets the criteria for the membership of the committee.
- 4.3 The Committee shall have at least two members.
- 4.4 At the date of formation of the Committee, it has been agreed that the members of the committee will be John Weston, Johan Blach Petersen and Simon Gregory Barrell and the Committee shall be chaired by John Weston. A quorum shall be any two independent non-

executive director members of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that the majority of the Committee must remain independent and non-executive directors.

## **5 Voting arrangements**

- 5.1 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.
- 5.2 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.
- 5.3 Save where he has a personal interest, the chairman of the Committee will have a casting vote.

## **6 Attendance at meetings**

- 6.1 The Committee will meet at least two times a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested.
- 6.2 Only members of the Committee have the right to attend Committee meetings but other directors and persons (such as the head of human resources) and external advisers may be invited to attend all or part of any meeting as and when appropriate.

## **7 Notice of meetings**

- 7.1 Meetings of the Committee shall be called by the Chairman at the request of any of its members.
- 7.2 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 and all other non-executive directors no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time.

## **8 Authority**

The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to have unrestricted access to the company's external auditors and to obtain, at the company's expense, professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee

or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

## **9 Reporting**

- 9.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the Chairman. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board unless it would be inappropriate to do so.
- 9.2 The chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.4 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used and any other matters within its terms on which the Board has requested its opinion. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company. The report should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving objectives.

## **10 General matters**

- 10.1 The chairman of the Committee should make himself available at each annual general meeting of the company to answer questions concerning the Committee's work.
- 10.2 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its 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.
- 10.3 The Committee shall have access to sufficient resources in order to carry out its duties.
- 10.4 The Committee shall give due consideration to all laws and regulations the provisions of the QCA Corporate Governance Guidelines for Small and Mid Sized Quoted Companies and the requirements of London Stock Exchange plc and the AIM Rules for Companies as appropriate.

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Signed by:

Dated 8 January 2015

**Windar Photonics plc**

(the **Company**)

**TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE**

In these Terms of Reference:

**Board** means the board of directors of the Company;

**Chairman** means the chairman of the Company;

**Committee** shall mean the Remuneration Committee;

**Group** means the Company and its subsidiary undertakings from time to time; and

**Nomination Committee** means the nomination committee appointed by the Board.

**1 Introduction**

These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee for compliance with QCA Corporate Governance Code for Small and Mid-Size Quoted Companies produced by the Quoted Companies Alliance and to assist the Committee in achieving best practice in corporate governance for the Group.

**2 Constitution**

The Committee was constituted at a full meeting of the Board held on 8 January 2015 in accordance with the articles of association of the Company.

**3 Duties and terms of reference**

- 3.1 The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Chairman and the executive directors including pension rights and compensation payments. The remuneration of non-executive directors shall be a matter for the Board or the shareholders (within the limits set in the articles of association). No director or senior manager shall be involved in any decisions as to his own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management.
- 3.2 In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the company without paying more than necessary. The remuneration policy shall bear in mind the Group's appetite for risk and be aligned to the Group's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Group.

- 3.3 When setting the remuneration policy for directors, the Committee shall review and have regard to the pay and employment conditions across the Group, especially when determining salary increases.
- 3.4 The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 3.5 The Committee shall approve the design of, and determine targets for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes.
- 3.6 The Committee shall review the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- 3.7 The Committee shall review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other senior executives and the performance targets to be used.
- 3.8 The Committee shall determine the policy for, and scope of, pension and health insurance arrangements for each executive director and other senior executives.
- 3.9 The Committee shall 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.
- 3.10 Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, the Committee shall determine the total individual remuneration package of the chairman, each executive director, the company secretary and other senior executives including bonuses, incentive payments and share options or other share awards.
- 3.11 The Committee shall:
- (a) ensure that contractual terms on termination and any payments made are fair to the individual and the Company; that failure is not rewarded and the duty to mitigate loss is recognised in accordance with the relevant contractual terms;
  - (b) oversee any major changes in employee benefits structures throughout the company or group; and
  - (c) agree the policy for authorising claims for expenses from the directors.

- 3.12 The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 3.13 The Committee shall obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the Board; and
- 3.14 The Committee shall consider such other matters as may be requested by the Board.

#### **4 Membership**

- 4.1 The Board shall appoint the chairman of the Committee who shall be an independent non-executive director. In the absence of the chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be chairman of the Committee.
- 4.2 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the chairman of the Committee. All of the members of the Committee should be independent non-executive directors. Appointments to the Committee shall be for periods of up to three years, which may be extended for no more than two additional three-year periods provided the members continue to be independent.
- 4.3 The Committee shall have at least two members. The Chairman of the Board may also serve on the Committee as an additional member including the chair of the Committee.
- 4.4 At the date of formation of the Committee, it has been agreed that the members of the Committee will be John Weston, Johan Blach Petersen and Simon Barrell and the Committee shall be chaired by John Weston. A quorum shall be any two members of the Committee. The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that any additional appointment must still be an independent non-executive director.

#### **5 Voting arrangements**

- 5.1 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.

5.2 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.

5.3 Save where he has a personal interest, the chairman of the Committee will have a casting vote.

## **6 Attendance at meetings**

6.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as required.

6.2 Only members of the Committee have the right to attend Committee meeting but other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.

6.3 The Chairman will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## **7 Notice of meetings**

7.1 Meetings of the Committee shall be summoned by the Chairman at the request of any of the members of the Committee.

7.2 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 five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

## **8 Authority**

The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, legal or professional advice on any matter within its terms of reference. 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. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

## **9 Reporting**

The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance shall be minuted by the Chairman. Draft minutes of each meeting will

be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless, in the opinion of the Chairman, it would be inappropriate to do so. The chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

## **10 General matters**

- 10.1 The chairman of the Committee should make him or herself available at each annual general meeting of the Company to answer questions concerning the Committee's work.
- 10.2 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 10.3 The Committee shall have access to sufficient resources in order to carry out its duties, and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 10.4 The Committee shall give due consideration to any applicable laws, regulations, the provisions of the QCA Corporation Governance Guidelines for Small and Mid Sized Quoted Companies, the requirements of London Stock Exchange plc the AIM Rules for Companies and any published guidelines or recommendations regarding the remuneration of directors of listed and non-listed companies and formation and operation of share schemes as appropriate.
- 10.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.6 The Committee shall ensure that any applicable provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the provisions of QCA Corporate Governance Code for Small and Mid-Size Quoted Companies are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting. If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.
- 10.7 The Committee shall, through the Chairman, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

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Signed by:

Dated 8 January 2015



**Windar Photonics plc**  
(the Company)

**TERMS OF REFERENCE FOR THE AUDIT COMMITTEE**

In these Terms of Reference:

**Board** means the board of directors of the Company;

**Chairman** means the chairman of the Board;

**Committee** means the Audit Committee;

**Group** means the Company and its subsidiary undertakings from time to time; and

**Nomination Committee** means the nomination committee appointed by the Board.

## **1 Introduction**

These Terms of Reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee for compliance with QCA Corporate Governance Code for Small and Mid-Size Quoted Companies produced by the Quoted Companies Alliance and to assist the Committee in achieving best practice in corporate governance for the Group.

## **2 Constitution**

The Committee was constituted at a full meeting of the Board held on 8 January 2015 in accordance with the articles of association of the Company.

## **3 Duties and terms of reference**

- 3.1 The Committee shall monitor the integrity of the financial statements of the Group, including its annual and half yearly reports, interim management statements, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements which they contain.
- 3.2 The Committee shall review and challenge where necessary:
- (a) the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;
  - (b) the methods used to account for significant or unusual transactions where different approaches are possible;
  - (c) whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

- (d) the clarity and completeness of disclosure in the Group's financial reports and the context in which statements are made; and
  - (e) all material information presented with the financial statements, such as the business review/operating and financial review and any corporate governance statement (insofar as it relates to the audit and risk management).
- 3.3 If the Committee is not satisfied with any aspect of the proposed financial reporting by the Group, it shall report its views to the Board.
- 3.4 Where requested by the Board, the Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.
- 3.5 The Committee shall:
- (a) keep under review the adequacy and effectiveness of the Group's internal financial controls and internal control and risk management systems; and
  - (b) review and approve the statements to be included in the annual report concerning internal controls and risk management.
- 3.6 The Committee shall:
- (a) review the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
  - (b) review the Group's procedures for detecting fraud; and
  - (c) review the Group's systems and controls for the prevention of bribery and receive reports on non-compliance.
- 3.7 The Committee shall consider, annually, whether an internal audit function is required and make a recommendation to the Board accordingly.
- 3.8 The Committee shall also:
- (a) 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 Group's external auditor. If an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required;

- (b) ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and oversee the selection process and further ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process;
- (c) oversee the relationship with the external auditor including (but not limited to):
  - (i) recommendations on their remuneration, including fees for audit or non-audit services and that the level of fees is appropriate to enable an effective and high quality audit to be conducted;
  - (ii) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
  - (iii) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
  - (iv) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Group (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
  - (v) agreeing with the Board a policy on the employment of former employees of the Group's auditor, then monitoring the implementation of this policy;
  - (vi) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Group compared to the overall fee income of the firm, office and partner and other related requirements;
  - (vii) 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; and
  - (viii) evaluating the risks to the quality and effectiveness of the financial reporting process and consideration of the need to include the risk of the withdrawal of their auditor from the market on that evaluation.

3.9 The Committee shall also:

- (a) meet regularly with the external auditor of the Group, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit;
- (b) review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;
- (c) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
  - (i) a discussion of any major issues which arose during the audit;
  - (ii) any accounting and audit judgements;
  - (iii) levels of errors identified during the audit; and
  - (iv) the effectiveness of the audit;
- (d) review any representation letter(s) requested by the external auditor before they are signed by management;
- (e) review the management letter and management's response to the auditor's findings and recommendations; and
- (f) 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 ethical guidance on the matter.

3.10 The chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. The report shall include:

- (a) the significant issues that it had considered in relation to the financial statements and how these were addressed;
- (b) the assessment of the effectiveness of the external audit process and its recommendations on the appointment/reappointment of the external auditor; and
- (c) any other issues on which the Board has requested the Committee's opinion.

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

3.12 The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report. The report shall include an explanation of how the Committee has addressed the effectiveness of the external audit process, the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed having regard to matters communicated to it by the auditor.

3.13 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to applicable laws and regulations, the provisions of the QCA Corporate Governance Guidelines for Small and Mid Sized Quoted Companies and the requirements of London Stock Exchange plc and the requirements and the AIM Rules for Companies as appropriate;
- (d) be responsible for co-ordination of any internal and external auditors;
- (e) oversee any investigation of activities which are within its terms of reference; and
- (f) arrange for periodic review of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

3.14 The Committee shall also consider such other matters as may be requested by the Board from time to time.

## **4 Membership**

4.1 The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chairman of the Committee.

4.2 The Committee shall have at least two members and at least one member should have recent and relevant financial experience, ideally with a professional qualification from one of the professional accountancy bodies. The Chairman shall not be a member of the Committee.

4.3 At the date of formation of the Committee, it has been agreed that the members of the Committee will be John Weston, Johan Blach Petersen and Simon Barrell and the Committee shall be chaired by Simon Barrell. A quorum shall be any two members of the Committee.

- 4.4 Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided the members continue to remain independent.

## **5 Attendance at meetings**

- 5.1 The Committee will meet at least three times a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as required.
- 5.2 Outside of the formal meeting programme, the chairman of the Committee will maintain a dialogue with key individuals involved in the Company's governance, including the Chairman, chief executive, finance director and the external audit lead partner.
- 5.3 Other directors may be invited to attend all or part of any meeting as and when appropriate.
- 5.4 The Company's external auditors may be required to attend Committee meetings, but not in the presence of any of the executive directors of the company, with a view to consulting with the Committee.
- 5.5 The Chairman will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.

## **6 Voting arrangements**

- 6.1 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.
- 6.2 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.
- 6.3 Save where he has a personal interest, the chairman of the Committee will have a casting vote.

## **7 Notice of meetings**

- 7.1 Meetings of the Committee shall be called by the Chairman at the request of any of its members or at the request of the external auditors if they consider if necessary.
- 7.2 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 five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

## **8 Authority**

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. The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to have unrestricted access to the company's external auditors and to obtain, at the company's expense, professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

## **9 Reporting**

The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the board of directors unless it would be inappropriate to do so in the opinion of the chairman of the Committee.

## **10 General matters**

- 10.1 The chairman of the Committee should make himself or herself available at each annual general meeting of the company to answer questions concerning the Committee's work.
- 10.2 The recommendations of the Committee minutes must be approved by the Board before they can be implemented.