

Annex 8

Model Terms of Reference for an Executive Committee¹⁶⁰

1. Purpose

The purpose of the Committee is to assist the Chief Executive in the performance of their duties, including:

- The development and implementation of strategy, operational plans, policies, procedures and budgets;
- The monitoring of operating and financial performance;
- The assessment and control of risk;
- The prioritization and allocation of resources;
- Monitoring competitive forces in each area of operation.

2. Membership

The Committee shall be made up of the Chief Executive, Deputy Chief Executive, Finance Director, all other executive (main board) directors, the heads of each business division, human resources, risk, IT, strategy, operations, group legal, and the company secretary. Others may be invited by the Chief Executive (or in their absence, the Deputy Chief Executive) to attend all or part of any meeting.

3. Chair

The Chief Executive shall act as Chair of the Committee. In their absence, the [Deputy Chief Executive] [Finance Director] shall act as Chair.

4. Secretary

The company secretary or their nominee shall act as the secretary of the Committee.

5. Quorum

The quorum necessary for the transaction of business shall be [3] members of whom at least one must be either the Chief Executive or [Deputy Chief Executive]/[Finance Director]. 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.

¹⁶⁰ This model was adapted from the model terms of reference provided in Guidance Note 0409902 of the ICSA Chartered Secretaries.

6. Frequency of Meetings

The Committee shall meet [monthly on the first Monday of each month] [fortnightly on a Tuesday] [every Monday].

7. Notice of Meetings

Meetings of the Committee, other than those regularly scheduled as above, shall be summoned by the secretary of the Committee at the request of the Chief Executive. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend, no later than [2] working days before the date of the meeting.

8. Conduct of Meetings

Except as outlined above, meetings of the Committee shall be conducted in accordance with the provisions of the Company's Articles of Association governing the proceedings of directors.

9. Minutes of Meetings

The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the board.

10. Duties

- Recommending objectives and strategy for the group in the development of its business, having regard to the interests of its shareholders, customers, employees and other stakeholders;
- Agreeing policy guidelines for business divisions based on approved group strategy;
- The successful execution of strategy; The presentation of the group's budgets and five year plan to the board and, following their adoption, the achievement of the budgets and plans; Developing and reviewing business division objectives and budgets to ensure that they fall within the agreed group targets; Ensuring appropriate levels of authority are delegated to senior management throughout the group; Reviewing the organizational structure of the group and making recommendations for change; Ensuring the control, co-ordination and monitoring within the group of risk and internal controls; Ensuring compliance with relevant legislation and regulations; Safeguarding the integrity of management information and financial reporting systems; Identifying and executing new business opportunities outside the current core activities, including geographic diversification; Examining all trade investments, divestments and major capital expenditure proposals and the recommendation to the group board of those which, in a group context, are material either by nature or cost;
- Approving all strategic or material alliances and partnership agreements; Optimizing the allocation and adequacy of the group's resources; Ensuring the

provision of adequate management development and succession and recommendation and implementation of appropriate remuneration structures within business divisions; Developing and implementing group policies, including:

- Codes of ethics and business practice
- Share dealing code
- Risk management policies
- Treasury policies
- Health and safety policy
- Communications policy (including procedures for the release of price sensitive information)
- Investor relations policy
- Corporate social responsibility policy (including environmental, employee communications and employee disability)
- Charitable donations policy; and
- Ensuring the active liaison, co-ordination and co-operation between business divisions.

11. Reporting Responsibilities

The Chief Executive shall report formally to the board, at each board meeting, on the proceedings of the Committee since the previous board meeting.