

## 1 Membership

- 1.1 The Committee shall comprise of the Chairman, a Non-Executive Director and the Company Secretary.
- 1.2 Only members of the Board have the right to attend Committee meetings. However, other individuals or advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by the Board.
- 1.4 The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent Non-Executive Director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position.

## 2 Secretary

The Company Secretary, or a nominee, shall be the secretary of the Committee.

## 3 Quorum

A quorum is 2 members of the Committee. 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

The Committee will meet with sufficient frequency to fulfill its responsibilities but will normally meet once a month.

## 5 Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 5.2 Unless otherwise agreed notice of each meeting confirming venue time and date together with an agenda of items to be discussed shall be forwarded to each member, any other person required to attend with supporting documents, not later than 3 days before the meeting.

## 6 Authority

The Committee is authorised to:

- 6.1 Seek any information it requires from any employee of the Company in order to perform its duties;

- 6.2 The Committee is authorised by the Board, to obtain external legal or independent professional advice at the expense of the Company (within budgetary constraints) on matters within its terms of reference.

## 7 Duties of the Committee

The Committee shall

- 7.1 Review the governance procedures of CPPGroup plc ('the Company') to ensure they are up to date and comply with best practice;
- 7.2 Formulate governance arrangements for recommendation to the Board to enable the Company and its subsidiaries (the 'Group') to:
- have sound and effective system and controls for governance and oversight
  - comply with relevant legislation and regulations, and
  - adopt proportionality in recommended best practice in corporate governance;
- 7.3 Consider, determine and review governance policies with regard to corporate governance, ethics, business principles, international trading regulation issues and data preservation & protection in the UK and other territories.
- 7.4 Receive regular reports on the effectiveness of, and compliance with, governance policies by the legal entities, committees, lines of business, management, employees and agents;
- 7.5 Monitor and review governance arrangements in the Group and consider proposals on:
- the role of the Board and its committees
  - the role of the subsidiary boards, committees and forums
  - the corporate governance framework
  - delegation of authority and authority levels and
  - reserved powers
- and to make recommendations to the Board regarding any changes;
- 7.6 Review the governance structure within lines of business, including the approval of the terms of reference of any committee or forum;
- 7.7 Monitor and review corporate governance developments in the UK and other relevant foreign territories to determine appropriate policy.
- 7.8 Monitor the impact of corporate governance on the business;
- 7.9 Determine the policy for governance compliance communications and training;
- 7.10 Oversee the policy for:
- The composition of and the appointments to the boards of subsidiary and associated companies of the Group
  - Managing conflicts of interest.

## **8 Reporting Procedures**

- 8.1 The Chairman of the Committee shall report to the Board at regular intervals on all matters within its duties and responsibilities to act.
- 8.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **9 Other Matters**

The Committee shall;

- 9.1 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance required.
- 9.2 Arrange for periodic reviews of its own terms of reference and, at least annually, 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.

**Approved by the CPP Group Plc Board on 22 November 2012**