

**STHREE PLC (OR 'THE COMPANY')**  
**TERMS OF REFERENCE**  
**OF THE SENIOR EXECUTIVE COMMITTEE ("SEC")**

**1. Establishment/Purpose**

The SEC is established as a Committee of STthree plc pursuant to Article 96 of the STthree plc Articles of Association. Its purpose is to assist the Group's Executive Directors, senior function heads and regional management in the performance of their duties on behalf of the Board, including:

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

All subject to the limitations of authority as detailed within the 'Schedule of Matters Reserved for the STthree plc Board/Committees and subsidiary company control framework' and Group Authorities Matrix, as amended from time to time, with appropriate matters delegated by the Board to other Committees as necessary.

**2. Membership**

The SEC shall normally comprise at least the Group CEO and CFO (of STthree plc), as well as any other STthree plc Executive Director.

Any person may be invited by the SEC from time to time either to become a full SEC member, or to attend all or any part of any meeting.

**3. Chair**

Any person nominated by the Group CEO shall act as Chair of the SEC. Alternatively, the other members may act as, or nominate, a person to act as Chair.

**4. Secretary**

Any person so nominated by the Group CEO shall act as secretary of the SEC or take minutes of SEC meetings.

**5. Quorum**

The quorum necessary for the transaction of business shall be two members, comprising at least one of the Group CEO or CFO. A duly convened meeting of the SEC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the SEC.

**6. Frequency of Meetings**

The SEC shall normally meet monthly, in the same week as each main Board meeting, except for August and December, March and June. Additional meetings may be held as required.

**7. Notice of Meetings**

Meetings of the SEC, other than those regularly scheduled as above, shall be summoned by the secretary of the SEC at the request of any SEC member.

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 SEC, any other person required to attend, no later than the Friday before the date of each meeting.

#### **8. Conduct of Meetings**

Except as outlined above, meetings of the SEC 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 SEC, including recording the names of those present and in attendance.

Minutes of SEC meetings shall be circulated promptly to all members of the SEC and, once agreed, will be available to the Directors of SThree plc.

#### **10. General Powers/Duties**

To ensure that the Group's corporate objectives and responsibilities are aligned to the operational objectives of the business and, if necessary, to recommend objectives or strategy for the Group in the development or communication of its strategic plans/business, having regard to the interests of its shareholders, customers, employees and other stakeholders.

Agreeing policy guidelines for Sectors/Brands based on approved Group strategy and the successful execution of this strategy;

Development and agreement of the Group's management plans/budgets and (up to) a five year plan to be presented to the Board and, following adoption, the development/management of the operational structure/performance of the business to ensure achievement of budgets and plans and monitoring/reporting thereon;

Developing and reviewing business objectives, performance and budgets to ensure that they fall within the agreed Group targets and taking appropriate cost control measures to optimise the allocation and adequacy of the Group's resources;

To define and set areas of responsibility and accountability within the business for the effective day to day operation of the business, ensuring appropriate levels of authority are delegated to senior management throughout the Group;

Development of and, as appropriate, recommending remuneration policies for the Group and implementing the appropriate remuneration structures within the business;

Recommending the appointment, remuneration or removal of persons, as appropriate, whilst ensuring the provision of adequate management development and succession planning in line with the operational organisational structure of the Group;

Ensuring the adequate control, co-ordination and monitoring throughout the Group of risk and internal control systems/processes and ensuring that these are regularly reviewed, updated and communicated throughout the business and with auditors;

To review and ensure compliance with all relevant legislation and regulations and also reviewing and implementing the Group's Corporate Social Responsibility (CSR) programme to ensure that business is conducted consistently with the agreed/appropriate CSR practices;

To implement effective information systems, including controls and security throughout the Group, whilst safeguarding the integrity of management information and financial reporting systems;

Identifying and executing new business opportunities outside current core activities, including geographic diversification and recommending any acquisitions, trade investments, divestments and major capital expenditure proposals for approval, where material, in a Group context, either by nature or cost;

Approving all strategic or material alliances and partnership agreements;

To ensure that all matters having material, financial, political, commercial, legal, health, safety & environmental or employee implications for the Group are reviewed and reported on and to develop and implement Group policies which safeguard against potential liability for offences committed by the Group, including, but not limited to, the following areas:

- 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 Brands.

Generally, to maintain an effective communications process throughout the Group.

At least annually, to review its own performance, constitution and terms of reference to ensure that it remains effective and to recommend any changes considered necessary for approval by the SThree plc Board.

## **11. Reporting Responsibilities**

The Group CEO, another nominated Executive Director, or the Company Secretary, shall report formally to the Board, at any Board meeting, on the proceedings of the SEC. Minutes of SEC meetings will also be available to the Board, or circulated as appropriate.

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