



Terms of Reference

1) **Date of Adoption**

The board of Jarvis plc adopted these terms of reference for the Executive Committee under Regulation 125 of the Company's Articles of Association, on 11th November 1999

2) **Purpose**

To manage and review the day to day operational, development, change and financial business activities of the Company in line with strategies, policies, capital expenditure authorities and corporate governance requirements approved by the Board

To meet regularly to conduct the business of the Company. At least one meeting per year should be devoted to a strategy implementation review, including progress made operationally in delivering shareholder value.

3) **Membership**

The membership and proposals for membership should be reported to the Board for comment. The Committee shall consist of senior executives and functional staff proposed by the Chief Executive of the Company.

A quorum shall be three members at least two of whom shall be executive directors of the Company.

4) **Chairman**

The Chief Executive of the Company will be the Chairman of the Committee and should nominate an alternate to Chair the meeting in his absence. He should also nominate a Secretary to compile and circulate minutes of the meeting.

5) **Frequency**

There should be one standing meeting per month with additional away day meetings as required for budget development, strategy and change programme implementation reviews and emergencies.

6) **Minutes of Proceedings**

A copy of the minutes of the meeting together with a summary and reviews of capital expenditure approvals, asset purchases or divestments and any proposals for sensitive communications to City Analysts business newspapers etc. should be included promptly in monthly board reports

7) Authority

The Committee is authorised by the Board to manage the business of the Company on a day to day basis subject to the limitations of delegated authority placed upon the Board by the Articles of Association of the Company. The capital expenditure and borrowing limits authorities must be approved by the Board. The Committee shall not be empowered to exercise the powers of borrowing or to give security over the Company's assets, appoint or remove directors, allot shares or exercise the authority contained in the Articles of Association over the capitalisation of profits, payment of dividends and management of reserves and subject nevertheless to such directions as may be given either by the Board or by the Company in General Meeting, provided that those directions are not inconsistent with the Articles of Association and or the provisions of the Companies Act. The principles for use of banking facilities, reserves, application of provisions and the crediting of profit from ongoing work in progress must also be agreed by the Board, and be in line with annual budgets approved by the Board.

Major organisational changes and changes in the leadership of individual business units must be agreed by the Board. Any proposals for acquisition, mergers, JV's and divestments or business closures must be agreed by the Board and be discussed by the Committee prior to submission to the Board.

8) Duties and Responsibilities

In addition to the duty to run the day to day business of the Company the committee shall have the following specific responsibilities: -

- a) To develop for the board the values to be promoted throughout the Company's operations
- b) To review the Company's objectives so that they are consistent with the values and the needs of both shareholders and employees.
- c) To enforce Company Policies, in particular policies on human resource, safety and environment.
- d) To review corporate and financial strategic options and select those to be pursued and decide the resources, contingency plans and means to support them
- e) Ensure that the Company's organisation structure and capability is appropriate for the implementation of the defined strategies.
- f) Ensure that internal control procedures provide a reliable and valuable information source for monitoring operations and performance
- g) Evaluate the performance of all operations in the light of defined strategies and business plans
- h) To manage and review annually senior staff succession and personnel development planning
- i) To ensure the necessary cross business synergies are effectively exploited to support shareholder value growth

- j) To review actions required following audit reports and ensure risks are made visible for management action
- k) To implement an integrated communications policy to all levels in each constituent business;
- l) Monitor the Group financial budget utilisation and control of cash flows
- m) Control charitable and political party donations in line with Board policy agreed
- n) To steer monitor and review strategy and policies agreed by the Board.

9) Notice of Committee Meetings

Notice of Committee Meetings shall be given to all Committee Members and shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose.

10) Reporting Procedures

The secretary shall ensure that copies of the minutes of the executive committee are circulated to all committee members and copied to non-executive directors for their information.