



## **RM plc**

### **Transactions Committee**

#### **Terms of Reference – May 2004**

##### **1. Membership**

- 1.1. The Committee will be appointed by the Board and will comprise a Chairman and 2 other members.
- 1.2. 2 members of the Committee, inclusive of the Chairman, will be independent non-executive directors; the third will be one of the Executive Directors.
- 1.3. The Committee Chairman will be the Chairman of The Board. In the absence of the Committee Chairman the remaining members present will elect one of their number, who must be an independent director, to chair the meeting.

##### **2. Secretary**

- 2.1. The Company Secretary or their nominee will act as the Secretary of the Committee.

##### **3. Quorum**

- 3.1. The quorum necessary for the transaction of business will be 2 of whom at least 1 must be independent non-executive director. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by The Committee.

##### **4. Frequency of Meetings**

- 4.1. The Committee will meet at such times as the Chairman of the Committee will require.

##### **5. Notice of Meetings**

- 5.1. Meetings of the Committee will be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.

- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, will be forwarded to each member of the Committee no fewer than 1 working day prior to the date of the meeting.
- 5.3. In addition to notification to all of the members of the Committee under paragraph 5.2, all the members of the Board of Directors of the Company shall be notified of the venue, time and agenda for all meetings of the Committee.

## 6. Minutes of Meetings

- 6.1. The Secretary will minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings will be circulated to all members of the Committee and to the Chairman of the Board and included in the Company's Board Packs as a matter of record.

## 7. Annual General Meeting

- 7.1. The Chairman of the Committee will attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## 8. Duties

- 8.1. The Committee shall have the right:
  - 8.1.1. to approve, enter into and execute all deeds and documents and do all things that are necessary to give effect to any Substantial Transaction that has been approved in principle by the Board. A "Substantial Transaction" is the conclusion of a contract or a guarantee or other form of surety with a third party which, whether by way of the risks, liabilities or payments there under, will, or is likely to have, a material effect on the business of the Company, other than a Minor Transaction or an Excluded Transaction, including but not limited to:
    - 8.1.1.1. a project agreement with either central or local government entered into under the auspices of the Strategic Projects division or any other division of the Company including 4Ps and PFI transactions and major software development transactions;
    - 8.1.1.2. the purchase of all or a part of the shares or assets of a business by the Company or any subsidiary of the Company;
    - 8.1.1.3. any transaction where the aggregate contract value exceeds £[ ]; and
    - 8.1.1.4. any transaction where the uninsured liabilities exceed £[ ]; and

8.1.1.5. any bank mandates which result in a security interest being granted over all or a substantial part of the Company's assets in favour of the bank.

8.1.2. To approve, enter into and execute all deeds and documents and do all things that are necessary to give effect to any Minor Transaction that has not been approved in principle by the Board. A "Minor Transaction" is any transaction other than a Substantial Transaction (including bank mandates which do not result in a security interest being granted over any of the Company's assets) and other than an Excluded Transaction.

8.1.3. An "Excluded Transaction" is a transaction in respect of any of the following:

8.1.3.1. any disposal of all or any material part of the Company's shares or assets;  
and

8.1.3.2. any transaction which falls within the parameters of paragraph 8.1.1. which has not been approved in principle by the Board;

8.1.4. make recommendations to the Board detailing items that should be published in the company's Annual Report relating to the activities of the Committee.

## 9. Authority

9.1. The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.

9.2. The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

## 10. Form of Meetings

10.1 Meetings of the Committee may take place either by physical attendance of the members of the Committee or by a conference call, email or any other method reasonably determined by the Chairman.