

Treasury Committee – Terms of reference

MEMBERS: - Mr M Holt (Chairman of the committee, non-executive director)
Mrs M Amos (non-executive director)
Mr D Taylor (Chief Financial Officer)
Mr J Corkett (Secretary to the Committee, Group Financial Controller)

TREASURY COMMITTEE – TERMS OF REFERENCE

PURPOSE

To oversee the funding strategy and treasury management of nmcn PLC, and its subsidiaries, and to monitor treasury risk exposures within agreed limits approved by the Board.

AUTHORITY

The Committee is a committee of the Board of the Company. The Committee is authorised by the Board to:

- (a) Approve borrowing, leasing and other facilities consistent with the agreed funding strategy;
- (b) Authorise the granting of security or charges over assets consistent with the agreed funding strategy;
- (c) Authorise financial instruments to hedge treasury related exposures such as interest rate, exchange rate and counter-party related risks;
- (d) Issue treasury management policies consistent with the agreed funding strategy; and
- (e) Engage outside legal or other independent professional advisers and obtain appropriate funding for the payment of relevant fees and expenses.

RESPONSIBILITIES

The responsibilities of the committee shall be as follows:

Funding strategy

- Review, and challenge where necessary, the funding strategy developed by the executive management team and make recommendations, as appropriate, to the Board. Particular attention being given to:
 - (a) the balance of equity and debt;
 - (b) sources and cost of debt and other borrowings, including long-term lease arrangements;
 - (c) projected headroom to committed facilities;
 - (d) inherent risks and risk appetite;
 - (e) the effective management of cash resources within the group;
 - (f) counter-party risks; and
 - (g) compliance with legal and regulatory requirements.
- The funding strategy is to be agreed in conjunction with the 3 Year Business Plan approved by the Board.

Banking relationships

- Review banking relationships and relationship management plans proposed by the CFO.
- Approve profit and cash forecasts provided to banks and other lenders.
- Review and approve bank loans and other facility agreements.

Treasury policies and treasury risks

- Develop and implement treasury policies consistent with the agreed funding strategy. The policies will specify:
 - (a) Authorisation levels;
 - (b) Management and monitoring of risk exposures (interest rate, FX, counter-party and commodity);
 - (c) Compliance reporting and forecasting; and
 - (d) Surplus cash investment.
- Review and monitor compliance with agreed policies.

Other Matters

Review any other matters referred to it by the Chairman of the PLC or the Board.

MEMBERSHIP AND ATTENDANCE

MEMBERSHIP

Members of the Treasury Committee shall be appointed by the Board. Members shall be at least two independent non-executive directors, one of whom shall be the Chairman of the Committee, and the CFO.

An induction programme will be provided by the company for any new member of the Committee, covering the role of the Committee, including its terms of reference and expected time commitment and an overview of the Company's business model and strategy identifying the main business and financial dynamics and risks. Ongoing training will also be provided.

CHAIRMAN

The chairman of the committee shall be appointed by the Board. In the chairman's temporary absence, one of the committee members nominated by the chairman or elected by the other members of the committee will act as chairman.

QUORUM

Quorum for meetings of the Treasury Committee will be two members, one of which must be a non-executive director and the other the CFO or his/her delegate.

COMMITTEE MANAGEMENT

SECRETARY

The secretary to the committee will be the Group Financial Controller or their nominee.

PAPERS/AGENDA

The agenda and papers will be circulated to all members of the committee at least 2 working days before the meeting.

MINUTES/REPORTING

The secretary or a nominee shall minute the proceedings of all meetings of the committee, including recording the names of those present and in attendance. Minutes of committee meetings will be circulated promptly to all members of the committee, and the committee chairman will report formally to the Board on the committee's proceedings covering inter alia the significant issues considered by the Committee in relation to the funding position or risk profile of the group and any other appropriate (in the opinion of the Chairman and Committee) matters.

FREQUENCY

Meetings shall be held as circumstances require, but at least three times a year. The chairman, in consultation with the company secretary shall decide on the frequency and timing of the committee meetings. Sufficient meetings shall be held as the committees' role and responsibilities require.

Sufficient time shall be allowed to enable the committee to undertake as full a discussion as may be required.

VERSION CONTROL

REVIEW REQUIREMENTS

These terms of reference shall be reviewed annually by the Committee along with a review of its own effectiveness and will then be subject to review by the Nomination and Governance Committee at least annually, or as required by the Board.

ADOPTED BY THE BOARD ON 22 APRIL 2020