

## **Vertu Motors plc (Company)**

### **EXECUTIVE DIRECTORS' COMMITTEE TERMS OF REFERENCE**

#### **1. Constitution**

The Committee was constituted at a full meeting of the board of directors (Board) held on 17 November 2006 in accordance with the articles of association of the Company.

#### **2. Duties**

The Committee shall determine the level of fees and other benefits (if any) of each of the Non-Executive Directors excluding the Chairman of the Board and shall approve any letters of appointment entered into by the Company with any such Non-Executive Director, provided that all decisions shall be in accordance with the policy outlined by the Remuneration Committee. In doing so, the Committee will at all times have regard to the AIM Rules and the recommendations of the QCA Code on Corporate Governance and shall have regard to any additional duties which may be required of each Non-Executive Director from time to time.

#### **3. Membership**

3.1 The Committee will consist of the CEO and the CFO and such other executive Directors as shall from time to time be appointed to the Board.

3.2 The Chairman of the Committee shall be the CEO.

#### **4. Meetings and Attendance**

4.1 The Committee will meet at least once each year and at such other times as the Chairman may direct.

4.2 Notice of any meeting of the Committee shall be given to all members. An agenda and any available supporting papers will be circulated to all members of the Committee prior to any meeting.

4.3 Meetings may, particularly if required on short notice, be held by telephone or by any other method of communication approved by the Committee Chairman;

4.4 The quorum shall be any two members of the Committee.

4.5 The Company Secretary will be the Secretary of the Committee.

#### **5. Voting arrangements**

Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

Decisions of the Committee will be made by majority vote. In the event of an equality of votes the Chairman will have a second or casting vote.

## **6. Authority**

The Committee is authorised by the Board to seek any information it requires from any Company employee or officer and to obtain expert advice from the Company's external auditors, professional advisers or otherwise, to take independent professional and expert advice and to request the attendance at meetings of the Committee of such employees or advisers as it sees fit, all at the expense of the Company.

## **7. Reporting Procedures**

- 7.1 The Company Secretary of the Committee will circulate final minutes of meetings of the Committee to all members of the Board.
- 7.2 The Chairman shall raise any appropriate matters arising from meetings of the Committee at Board Meetings.

## **8. Excluded Matters**

The Committee will not be responsible for:

- 8.1 Supervising the performance of Non-Executive Directors (nor permitted to do so); and
- 8.2 Any other matter which the Board shall advise the Committee is reserved to be determined by it.