

Vertu Motors plc (Company)

CEO COMMITTEE TERMS OF REFERENCE

1. Constitution

The Committee was constituted at a full meeting of the board of directors (**Board**) in accordance with the articles of association of the Company.

2. Terms of reference

The Committee shall be responsible for the day to day operation of the Group (subject to the matters reserved for Board decision) including:

- 2.1 the integrity of the financial information provided to shareholders;
- 2.2 the Company's system of internal controls and risk management; and
- 2.3 Review of operational and financial performance and developing strategies for improvement
- 2.4 Implementation of policies including those recommended by the Compliance or H&S Committee
- 2.5 Approval of HR and IT strategies impacting on the Group's operations
- 2.6 Approval of marketing strategy

3. Membership

- 3.1 The Board shall appoint the CEO as the Committee chairperson.
- 3.2 The members of the Committee shall be appointed by the CEO and shall consist of the CFO, the COO and other senior management in the Group as necessary to fulfil its purpose. The members of the Committee can be varied at any time by the CEO.
- 3.3 A quorum shall be any five members of the Committee.

4. Voting arrangements

- 4.1 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.
- 4.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at that part of the meeting.
- 4.3 Save where he has a personal interest, the chairperson will have a casting vote.

5. Attendance at meetings

- 5.1 The Committee will meet at least ten times a year. The Committee may meet at other times during the year as requested by any member of the Committee.

5.2 Other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.

5.3 The Company Secretary or his or her nominee shall be the secretary of the Committee.

6. Notice of meetings

6.1 Meetings of the Committee shall be summoned by the CEO or by the Company Secretary at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than seven days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee (as appropriate) at the same time or when available, if later.

7. Authority

The Committee is authorised by the board of directors to examine any activity within its terms of reference and is authorised to obtain, at the Company's expense, professional advice on any matter within its terms of reference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of any of the authorities, powers and discretions vested in or exercisable by the Committee. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

8. Reporting

The CEO, CFO and COO will report on material activities of the CEO Committee in the monthly report to the Board.

9. General matters

9.1 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required.

9.2 The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations as appropriate.

9.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.