

## AIM COMPLIANCE COMMITTEE'S TERMS OF REFERENCE

### 1 CONSTITUTION

The Committee was constituted at a full meeting of the board of directors of the Company (the “**Board**”) held on 26 August 2020 in accordance with the articles of association of the Company.

### 2 PURPOSE

The purpose of the Committee is to monitor and report on compliance with the London Stock Exchange's AIM Rules for Companies (the “**AIM Rules**”) from time to time.

### 3 DUTIES AND TERMS OF REFERENCE

#### 3.1 The Committee shall be responsible for:

##### 3.1.1 drawing up, establishing and maintaining procedures, systems and controls for the purposes of:

- (a) ensuring compliance by the Company with its legal and regulatory obligations arising from the admission of its shares to trading on AIM (including, in particular, its obligations under the AIM Rules, the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules);
- (b) identifying and collecting all information which the Company is or may be required to disclose in accordance with its legal and regulatory obligations (including, in particular, information which the Company is or may be required to disclose pursuant to Rule 11 of the AIM Rules (*General disclosure of price-sensitive information*) or any other requirement of the AIM Rules);
- (c) determining on a timely basis the disclosure treatment of such information (including assessing whether such information is price-sensitive and, where disclosure is required, determining the scope, content and timing of the disclosure);
- (d) determining whether certain issues or events have given rise to inside information that directly concerns the Company or its financial instruments which requires disclosure and/or the creation of new, or amendments to existing, insider lists;
- (e) the procedure for delaying disclosure of inside information, including in particular:-

- (i) maintaining all required records of delay and selective disclosure;
  - (ii) monitoring the conditions permitting delay;
  - (iii) preparing any required notification to the Financial Conduct Authority regarding the delay in disclosure; and
  - (iv) preparing any required explanation to the Financial Conduct Authority of how the conditions for delay were met; and
- (f) recording, processing, summarising and verifying all information which is required to be disclosed and ensuring the accurate disclosure of such information on a timely basis,  
  
 (such procedures, systems and controls being the “**Disclosure Procedures**”);
- 3.1.2 implementing the Disclosure Procedures (including, where appropriate, arranging for the dissemination of guidelines and training);
- 3.1.3 monitoring compliance with the Disclosure Procedures;
- 3.1.4 periodically reviewing, evaluating and, where appropriate, updating the Disclosure Procedures and recommending changes to the Board;
- 3.1.5 resolving questions about the materiality and treatment of information;
- 3.1.6 considering whether the conditions for delaying disclosure of inside information are satisfied;
- 3.1.7 considering generally the requirement for announcements, including in the following circumstances: (a) interim steps in a protracted process (e.g., a project); (b) a change in circumstances during the period when disclosure of inside information is delayed; (c) rumours relating to the Company; and (d) a leak of inside information and, in particular, the need to issue holding announcements;
- 3.1.8 reviewing and approving any announcements dealing with significant developments in the Company’s business and ensuring their accuracy (in conjunction with the Audit Committee or the Board, as appropriate); and
- 3.1.9 considering generally such other matters as may be requested by the Board.

3.2 The Committee shall take reasonable steps to:

- 3.2.1 ensure that each meeting of the full Board includes a discussion of AIM matters, in particular a briefing of the Committee by the executive directors as to issues raised with the Company's nominated adviser (the "**Nomad**") and advice received in respect thereof;
- 3.2.2 ensure that the executive directors are communicating as appropriate with the Company's Nomad regarding ongoing compliance with the AIM Rules and in relation to proposed or potential transactions;
- 3.2.3 ensure that advice received from the Nomad in relation to AIM Rule compliance is appropriately recorded and taken into account;
- 3.2.4 ensure that the Nomad is supplied with information on the Company's financial condition on a regular and timely basis and of any other key developments in the Company from time to time;
- 3.2.5 ensure that the Nomad is maintaining contact with the Company on a regular basis. Where this is not the case, the Committee should contact the Nomad and remind them of their responsibilities under the London Stock Exchange's AIM Rules for Nominated Advisers to the Company; and
- 3.2.6 ensure that the executive directors take into account advice given by the Nomad from time to time.
- 3.3 The chair of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged its responsibilities.
- 3.4 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 3.5 The Committee shall:
  - 3.5.1 oversee and review the verification process undertaken in respect of the Company's disclosures;
  - 3.5.2 assess market rumours and press speculation concerning the Company and make recommendations as to what response (if any) should be made;
  - 3.5.3 question the executive directors to ascertain the reasons for any unusual or substantial movement in the Company's share price;
  - 3.5.4 assess (with the assistance of the Nomad and the Company's other advisers) whether the executive directors are aware of their AIM responsibilities from time to time and, where any deficiencies are noted, arranging for the Nomad to brief the director(s) concerned (provided that this shall not imply that the members of the

Committee have professional expertise in the interpretation and application of the AIM Rules);

- 3.5.5 circulate to the other members of the Board details of any rule changes which are notified to the chair of the Committee by the Nomad;
- 3.5.6 meet with the executive directors at least every 6 months to discuss and confirm that the AIM Rules have been complied with in the period;
- 3.5.7 in the event that the meeting with the executive directors has identified any actual or possible non-compliance issues, discuss these issues immediately with the Nomad to determine the course of action to be taken;
- 3.5.8 be responsible for the Company's responses to any investigation launched by AIM Regulation into the Company's affairs;
- 3.5.9 report to the Audit Committee and/or the Board whether, to the Committee's knowledge, each of the following properly records and discloses all required material information:-
  - (a) Annual Summary;
  - (b) Half-Yearly Report;
  - (c) Quarterly Results announcements (if made); and
  - (d) Preliminary Results announcement;
- 3.5.10 take any action it considers necessary to ensure that the Company complies with its regulatory obligations in relation to disclosure of inside information and insider lists;
- 3.5.11 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance and external professional advice, at the Company's expense, as required;
- 3.5.12 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 3.5.13 give due consideration to applicable laws and regulations, the provisions of the QCA Corporate Governance Code, the Disclosure and Transparency Rules (so far as they are applicable to the Company) and the requirements of the AIM Rules as appropriate;
- 3.5.14 oversee any investigation of activities which are within its terms of reference; and

- 3.5.15 arrange for periodic review of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### **4 MEMBERSHIP**

- 4.1 The members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chair of the Committee. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years provided that the director still meets the criteria for membership of the Committee. The Board may fill vacancies in the Committee by appointments from among the Board.
- 4.2 The Committee shall comprise of at least two directors, one of which must be an independent non-executive director. At least one member should have recent and relevant AIM experience.
- 4.3 At the date of formation of the Committee, it has been agreed that the members of the Committee will be Graeme Bissett, George Elliott and Ashleigh Greenan. The Board shall appoint a Committee chair who should be an independent non-executive director. In the absence of a Committee chair, the remaining Committee members present shall elect one of themselves, from those who would qualify under these terms of reference to be appointed to that position by the Board, as chair.
- 4.4 A quorum shall be any two members of the Committee.

#### **5 VOTING ARRANGEMENTS**

- 5.1 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.
- 5.2 Each member of the Committee shall disclose to the Committee:
- 5.2.1 any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
- 5.2.2 any potential conflict of interest arising from a cross-directorship.
- 5.3 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 the meeting.
- 5.4 Save where he or she has a personal interest, the chair of the Committee will have a casting vote.

## **6 ATTENDANCE AT MEETINGS**

- 6.1 The Committee will meet at least once a year and otherwise as required at the discretion of the chair of the Committee or a majority of the members.
- 6.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Company's chair, the chief executive, the finance director, the Nomad and external advisers may be invited to attend for all or any part of a meeting, as and when appropriate and necessary.
- 6.3 The company secretary or his or her nominee shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.

## **7 NOTICE OF MEETINGS**

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the chair of the Committee. Otherwise, the time and place for meetings may be set by resolution of the members of the Committee.
- 7.2 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 five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.
- 7.3 Meetings of the Committee may be conducted when the members are physically present or in the form of either a video or audio conference.
- 7.4 Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to receive documents in such a way

## **8 AUTHORITY**

- 8.1 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 8.2 The Committee has the right to publish in the company's annual report, details of any issues that cannot be resolved between the Committee and the Board.
- 8.3 The Committee is authorised to:
- 8.3.1 undertake such investigations and research as it considers desirable for the purpose of carrying out its duties;

- 8.3.2 obtain, at the Company's expense, outside legal or other professional advice (including from the Nomad) on any matters within its terms of reference;
- 8.3.3 determine and pay the compensation for any outside legal or other professional advisors retained by the Committee; and
- 8.3.4 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.

## **9 REPORTING**

- 9.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Committee chair.
- 9.2 The Committee shall maintain records of the Committee's other material discussions and key decisions, together with copies of all announcements made to the market containing inside information and copies of any advice received.

## **10 GENERAL MATTERS**

- 10.1 The chair of the Committee should make himself or herself available at each Annual General Meeting of the company to answer questions concerning the Committee's work.
- 10.2 The Committee shall work and liaise as necessary with all other board committees.
- 10.3 The Committee shall make available these terms of reference to shareholders and include the information on the company's website.