

MOSS BROS GROUP PLC

Audit Committee Terms of Reference

These Terms of Reference replace the previous terms of reference and were approved and adopted by the Board on 22 March 2012

1. **Constitution**

The Board hereby resolves to establish a committee of the Board to be known as the Audit Committee.

2. **Membership**

The Committee shall be appointed by the Board, on the recommendations of the Nominations Committee, from amongst the independent non-executive directors of the Company and shall consist of not less than two in number, which must include the Chairman of the Committee. A quorum shall be two members ("the Members"). At least one Member of the Committee shall have recent and relevant financial experience.

The Board shall appoint the Chairman of the Committee, and for the time being shall be Mr. Bryan Portman

The Company Secretary or their nominee shall be the Secretary of the Committee

3. **Attendance at Meetings**

The Members shall normally attend meetings. The Chief Executive Officer and the Finance Director, together with a representative of the Auditors shall normally attend meetings with the agreement of the Audit Committee Chairman.

Other Board members shall also have the right of attendance if invited to attend by the Chairman of the Audit Committee. Relevant senior management may also be asked by the Committee to attend the meetings, but attendees have no right of attendance. At least once a year the Committee shall meet with the Auditors without full-time Board members present and with Executive Management without the Auditors present.

The Chairman of the Committee should attend the AGM and be prepared to respond to shareholders' questions on the activities of the Committee.

4. **Frequency of Meetings**

Meetings shall be held not less than three times a year. The Committee may request a meeting if they consider one is necessary.

Meetings will be arranged to tie in with the publication of the Company's financial statements.

5. **Reporting Procedures**

The Secretary will circulate the minutes of meetings of the Committee to all members of the Board.

6. **Authority**

The Committee is authorised by the Board under the Articles of Association of the Company to investigate any activity within its terms of reference. It is authorised to seek any information, which it requires from any employee and all employees are directly to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise when this is considered necessary.

7. **Duties**

The duties of the Committee shall be:

- (a) to consider the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal and to keep under review the cost effectiveness of the audit and the independence and objectivity of the auditor;
- (b) to discuss with the External Auditor before the audit commences the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (c) to develop and implement the policy on the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken whilst considering the value for money (where a material volume of such services are supplied) the non-audit services provide;
- (e) to review the half-year and annual financial statements, the accompanying reports to shareholders, the preliminary announcement of results and any other announcement regarding Moss Bros Group Plc's results or other financial information to be made public, before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;

- (ii) major judgmental areas
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards;
 - (vi) compliance with stock exchange and legal requirements;
- (f) to discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss in the absence of management where necessary;
- (h) to review the External Auditor's management letter and management's response;
- (i) to review the Company's statement on control systems prior to endorsement by the Board, and in particular, to review:
- (i) the procedures for identifying business risks and controlling their financial impact on the Company;
 - (ii) the Company's policies for preventing or detecting fraud;
 - (iii) the Company's policies for ensuring that the Company complies with relevant regulatory and legal requirements;
 - (iv) the operational effectiveness of the policies and procedures;
- (j) to review annually the need for an internal audit function and the reasons,, should there not be an internal audit function, for the absence of such function. Where an internal audit function exists to ensure co-ordination between the Internal and External Auditors, and ensure that the internal audit function is operating efficiently and has appropriate standing within the Company;
- (kj) to consider the major findings of internal investigations and management's response;
- (l) to consider other topics, as defined by the Board;
- (m) to consider risk management;
- (l) to ensure arrangements are in place to carry out independent investigations of any matters reported by staff concerning possible improprieties in matters of financial reporting or other matters;

- (m) to review the Company's procedures for handling allegations from whistleblowers and to oversee any investigation of activities, which are within the terms of reference and act as a court of the last resort.

7. **Other Matters**

The Committee should on a annual basis, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and ensure that its members receive adequate and appropriate training on matters relating to its terms of reference as necessary.

MOSS BROS GROUP PLC

Remuneration Committee Terms of Reference

These Terms of Reference replace the previous terms of reference and were approved and adopted by the Board on 1 July 2009

1. Constitution

The Board hereby resolves to establish a committee of the Board to be known as the Remuneration Committee.

2. Membership

The Committee shall be appointed by the Board from amongst the independent non-executive directors of the Company and shall consist of not less than two in number. A quorum shall be two members ("the Members").

The Chairman of the Committee shall be appointed by the Board, and the Company Secretary or their nominee shall be Secretary of the Committee.

3. Attendance at Meetings

The Members shall normally attend meetings. Other Board members shall also have the right of attendance if invited to attend by the Chairman of the Remuneration Committee.

4. Frequency of Meetings

Meetings shall be held not less than twice a year. However, a member of the Board or Committee may request a meeting if they consider one is necessary.

5. Authority

The Committee is authorised by the Board under the Articles of Association of the Company to investigate any activity within its terms of reference. It is authorised to seek any information, which it requires from any employee and all employees are directly to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise when this is considered necessary.

6. Duties

The duties of the Committee shall be:

- (b) to develop a policy on the remuneration of full-time Board members and senior management of Moss Bros Group Plc (including pension arrangements) and to approve remuneration packages for the fulltime Board members. The remuneration of non-executive directors shall be a matter for the Chairman and Executive members of the Board.
- (b) to monitor the salaries and terms and conditions (including pension and compensation rights) of employment of the full-time Board members of Moss Bros Group Plc in order to ensure that the Company remains sensibly competitive in this field and where necessary to use external bench marking.
- (c) to ensure the policy provides the executive management team with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions to the success of the Company;
- (d) to authorise all changes in salary and terms and conditions of employment of the full time Board members of Moss Bros Group Plc;
- (e) to determine the policy for the scope of any termination payments and severance terms for full-time Board members and to consider the advantages of providing explicitly in the initial contract for compensation in the event of early termination, except in the case of removal for misconduct;
- (f) to determine the participation of the full-time Board members and executive management of Moss Bros Group Plc in any discretionary employee share or other incentive schemes operated by Moss Bros Group Plc;
- (g) to determine targets for any company-wide performance-related payments for full-time Board members and executive management of Moss Bros Group Plc and individual incentives for full-time Board members and executive management of Moss Bros Group Plc including, without limitation;
 - (i) the setting and monitoring of any performance conditions subject to which any options may be granted under any executive share option schemes adopted by Moss Bros Group Plc; and

- (ii) the setting and monitoring of any bonus scheme performance conditions. The performance-related elements of remuneration should form a significant proportion of the total remuneration package of full-time Board members;
- (h) to determine the provision of benefits and settlement of other provisions under the terms of the service agreements or otherwise of full-time Board members where these are stated as being at the discretion of the Board;
- (i) to consult the Chief Executive Officer about remuneration proposals;
- (j) to advise generally the Board of Moss Bros Group Plc about the broad framework of remuneration and its costs taking into account recommendations made in the Combined Code.

7. Reporting Procedures

The Company Secretary shall, where appropriate, circulate the minutes of the meeting of the Committee to all members of the Board following a meeting of the Remuneration Committee.

8. Other Matters

The Committee should on a regular basis, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and ensure that its members receive adequate and appropriate training on matters relating to its terms of reference as necessary.

MOSS BROS GROUP PLC

Nominations Committee Terms of Reference

These Terms of Reference replace the previous terms of reference and were approved and adopted by the Board on 22 April 2010

1. Constitution

The Board hereby resolves to establish a committee of the Board to be known as the Nomination Committee ("the Committee").

2. Membership

The Committee shall be appointed by the Board from amongst the nonexecutive directors of the Company and shall consist of not less than three in number, two of whom should be independent non-executive directors. The quorum shall be three members ("the Members").

The Chairman of the Committee shall be either the Chairman of the Board or the Senior non-executive director the Company Secretary or their nominee shall act as Secretary of the Committee.

3. Attendance at Meetings

The Members shall normally attend meetings. Other Board members shall also have the right of attendance if invited; the Chief Executive Officer will normally be invited to attend by the Chairman of the Nomination Committee.

No Committee attendee shall be present at any discussion or decision on his or her own appointment.

The Secretary shall keep appropriate records of all meetings of the Committee, together with details of the proceedings and resolutions.

Copies of the minutes of the meetings shall be circulated to all members of the Board unless the Chairman otherwise decides.

The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities.

4. Frequency of Meetings

Meetings shall be held once a year and upon request whenever it is considered necessary for the duties of the Nomination Committee to be carried out.

5. **Authority**

The Committee is authorised by the Board under the Articles of Association of the Company to investigate any activity within its terms of reference. It is authorised to seek any information, which it requires from any employee and all employees are directly to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise when this is considered necessary.

6. **Duties**

The duties of the Committee shall be:

- (a) to nominate candidates for the approval by the Board to fill vacancies on the Board;
- (b) to review the Board structure, size and composition and make recommendations to the Board with regard to any changes;
- (c) to evaluate the balance of skills, knowledge and experience on the Board and prepare descriptions for the role identified and capabilities required for a particular appointment and give consideration to succession planning for directors and other senior executives;
- (d) to evaluate potential candidates for the position of directors (nonexecutive and executive) and make the necessary recommendations to the Board;
- (e) to ensure the quality of the candidate is best qualified to fulfil the position;
- (f) to ensure that Moss Bros Group Plc implement the Combined Code by ensuring that the Company is headed by an effective Board, the Board is balanced in terms of executive and non-executive Directors and that at least one third of the Directors submit themselves for re-election each year.

7. **Reporting Procedures**

The Committee Chairman shall report to the Board on its proceedings after each meeting on matters within its duties and responsibilities.

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

The Committee shall make a statement in the annual report about its activities, the process used to make appointments.

8. **Other**

The Committee shall, at least once a year, review its own performance, 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.

9. **Authority**

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

The Committee is authorised when the fulfilment of its duties requires, to obtain any outside legal or other professional advice including the advice of independent remuneration consultants, and to secure the attendance of external advisers at its meetings, if it consider this necessary, at the Company's expense. The Committee shall have full authority to commission any reports or surveys which it seems necessary to help it fulfil its obligations.