

THG

Related Party Committee Terms of Reference

THG PLC

1. Purpose, Composition and Meetings of Related Party Committee

1.1 The Board has established a Related Party Committee to oversee and approve on behalf of the Board the terms of any Related Party Transaction. For purposes hereof, the following terms shall have the following meanings:

1.1.1 **"Group Company"** means any of THG PLC, a company incorporated in England & Wales (registered no. 06539496), whose registered office is at 5th Floor, Voyager House Chicago Avenue, Manchester Airport, Manchester, England, M90 3DQ (the "Company"), and its subsidiary undertakings from time to time; and

1.1.2 **"Propco Group"** means Kingsmead Holdco Limited, a company incorporated in Guernsey (registered no. 51762), whose registered office is at Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR ("Propco"), and its subsidiary undertakings from time to time, which together hold certain property assets, which are used or occupied by the Company and its subsidiary undertakings from time to time (the "Group") under leases between the relevant Group Company and the relevant subsidiaries of Propco.

1.1.3 **"Related Party Transaction"** means any transaction, arrangement or agreement (or amendment thereto) between any Group Company and the Propco Group, excluding any non-material or day-to-day business-as-usual or ordinary course changes to building transactions, arrangements and agreements (or amendments thereto) which do not require the approval of either Matthew Moulding or the Board.

1.2 The Related Party Committee shall include the Senior Independent Director and any other independent directors of the Company. Members of the Related Party Committee should be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the chair of the Related Party Committee. Appointments to the Related Party Committee shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members continue to be independent and meet the membership criteria of the committee.

1.3 The chair of the Related Party Committee shall be the Senior Independent Director. In the absence of the chair of the Related Party Committee and/or appointed deputy at a meeting of the Related Party Committee, the remaining members shall elect one of themselves to chair the meeting.

1.4 If any member of the Related Party Committee is unable to act for any reason, the chair of the Related Party Committee may appoint any other independent director of the Company to act as his or her alternate.

- 1.5 The Company Secretary (or his or her nominees) shall be the secretary of the Related Party Committee.
- 1.6 The quorum for meetings of the Related Party Committee is two of its members both of whom must be independent directors.
- 1.7 No one other than a Related Party Committee member is entitled to attend meetings of the Related Party Committee but others may attend by invitation. External advisers may be invited to attend for one or part of any meetings as and when appropriate and necessary.
- 1.8 Meetings of the Related Party Committee are to be held at such times as the chair of the Related Party Committee shall require. Any of the Related Party Committee members may request a meeting of the Related Party Committee if he or she considers it necessary, to be arranged by the secretary. Unless otherwise agreed by the Related Party Committee, notice of each meeting, confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Related Party Committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to the members of the Related Party Committee and to other attendees, as appropriate, at the same time. Notices, agendas and supporting papers can be sent in electronic form where the recipient has agreed to received documents in such a way.

2. Duties of the Related Party Committee

- 2.1 The duties of the Related Party Committee are:
- 2.1.1 to oversee and approve on behalf of the Board the terms of any Related Party Transaction, having regard to whether any such Related Party Transaction is fair and reasonable and (from the perspective of the Company and of the shareholders who are not a related party (as defined in the Disclosure and Transparency Rules) including minority shareholders) in the best interests of the Group, upon becoming aware of or being referred to such Related Party Transaction. For purposes of evaluating whether a Related Party Transaction is fair and reasonable, regard shall be had to, among other things:
- (a) whether, in view of the financial position of the respective parties to that Related Party Transaction, it should be concluded;
 - (b) the overall commercial benefits of that Related Party Transaction for the respective parties;
 - (c) the consideration for that Related Party Transaction, including any interest or other benefit received; and

- (d) in the case of a loan transaction, the term, manner of repayment, whether security has been or should in the circumstances have been provided and whether such security is adequate; and

2.1.2 to ensure that any Related Party Transaction is conducted at arm's length and on normal commercial terms.

2.2 Subject to paragraph 2.3 below, the Related Party Transaction may not be authorised or implemented by the Board unless it has been positively recommended by the Related Party Committee.

2.3 The Board may from time to time and if deemed in the best interests of the Company resolve that in respect of certain categories of Related Party Transactions, the Related Party Committee's views are not binding and are of a recommendatory nature. Such resolution shall be communicated to the Related Party Committee immediately and shall supplement these Terms of Reference.

3. Related Party Committee Chair

3.1 The Related Party Committee chair shall:

- 3.1.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 3.1.2 attend the Company's AGM prepared to answer shareholders' questions on the Related Party Committee's activities.

4. Secretary

4.1 The secretary shall:

- 4.1.1 minute the proceedings and resolutions of all meetings of the Related Party Committee, including recording the names of those present and in attendance;
- 4.1.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and

- 4.1.3 promptly circulate minutes of Related Party Committee meetings to all members of the Related Party Committee and, once agreed, to all members of the Board, unless in the opinion of the committee chair, a conflict of interest exists.

5. Authorisation

- 5.1 The Related Party Committee is authorised by the Board:
 - 5.1.1 at the Company's expense, to obtain such legal or other independent professional advice as it deems necessary to fulfil its responsibilities; and
 - 5.1.2 to secure the attendance of other persons at its meetings if it considers this necessary.

6. Other Matters

- 6.1 The Related Party Committee shall:
 - 6.1.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
 - 6.1.2 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;
 - 6.1.3 give due consideration to any applicable laws and regulations, as appropriate; and
 - 6.1.4 arrange for periodic reviews of its own performance and, at least annually, 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.

