Terms of Reference - Ethics Committee

1.   **Constitution**
The Board has established a Committee of the Board to be known as the Ethics Committee ("the Committee").

2.   **Membership**
The Committee will be appointed by the Board. The members of the Committee will be drawn from the Chairman and the independent non-executive Directors of the Company. The Committee will consist of not less than three members. A quorum will be two members.

The Chairman of the Committee will be either the Chairman of the Company or an independent non-executive Director.

The membership shall be reviewed on an annual basis by the Nomination Committee.

3.   **Attendance at Meetings**
The Chief Executive Officer and other Board members will attend if invited by the Committee. Members of the Executive Leadership Team and other employees including Functional Heads may be asked to attend from time to time to address specific matters.

The Secretary of the Committee will be appointed by the Board.

4.   **Frequency of Meetings**
Meetings will be held not less than two times each year.

5.   **Responsibilities**
The responsibilities of the Committee are as follows:
5.1   Advising the Board on the development of strategy and policy on ethical matters;
5.2   Advising the Board on steps to be taken to embed a culture of integrity and honesty in all of the Company's business dealings;
5.3   Overseeing the Company's policies and procedures for the identification, assessment, management and reporting of ethical risk;
5.4   Overseeing the Company's policies and procedures to prevent persons associated with the Company from engaging in bribery;
5.5   Appointing a senior manager to oversee the development of the Company's anti-corruption programme;
5.6   Reviewing the Company's procedures for detecting ethical risk;
5.7   Overseeing the development and adoption of, and compliance with, the Company's ethical due diligence policies and procedures covering:
- business relationships, including with the Company's third party partners including agents and intermediaries; and
- mergers, acquisitions and major new projects;

5.8   Overseeing the development, adoption and compliance with the Company's policies and procedures on ethical matters, and in particular:
- responsibility for implementation;
- communication, both internally and externally;
- training;
- reporting of progress to the Committee;
- external assurance;
- monitoring arrangements; and
- the consequence of breaches of those policies and procedures;

5.9   Liaising with the Audit Committee on the mechanisms for employees to raise ethical concerns in confidence;

5.10   Engaging with regulatory bodies, industry groups, advisors and other stakeholders over ethical issues;

5.11   Receiving and reviewing at least annually reports on:
- the management of agents and intermediaries, including details of commissions paid and incidences of non-compliance with the Group's policies;
- incidences of whistleblowing, including details of investigative and remedial action undertaken; and
- sanctions governance and the management of sanctions risks by the Sanction Board including responses to identified sanctions risks and internal audit reports; and

5.12   Overseeing the investigation of any material irregularities of an unethical nature and reviewing subsequent findings and recommendations.

6.   Reporting Procedures

6.1   The Chairman of the Committee will report formally to the Board on its proceedings after each meeting.

6.2   The Committee will make whatever recommendations to the Board it deems appropriate in any area within its remit where it identifies a requirement for action or improvement.

6.3   The Committee will conduct an annual review of its work and these terms of reference and make recommendations to the Board.

6.4   The Committee's duties and activities during the year will be disclosed in the Annual Report and Accounts.

Approved by the Board of Directors of De La Rue plc in June 2020