

AUDIT COMMITTEE

TERMS OF REFERENCE OF THE AUDIT COMMITTEE OF THE BOARD OF PHOTO-ME INTERNATIONAL PLC (THE COMPANY)

(as approved by the Board of Directors of the Company on 1 April 2009 and amended on 20 March 2017)

MEMBERSHIP

1. The membership of the Committee shall be appointed by the Board. The Committee shall consist of not less than two members, all of whom shall be independent non-executive directors of the Company. The Chairman of the Board may also serve on the Committee as an additional member providing that he was considered independent on appointment as Chairman. At least one member of the Committee should have recent and relevant financial experience. A quorum shall be two members.
2. The Chairman of the Committee shall be appointed by the Board but shall not be the Chairman of the Board. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their number to chair the meeting.

ATTENDANCE AT MEETINGS

3. The Group Finance Director, Group Internal Audit Manager and a representative of the external auditors shall attend meetings at the invitation of the Committee.
4. The Chairman of the Board, the CEO and other Board members shall attend if invited by the Committee.
5. There should be at least one meeting (or part thereof) a year where the external auditors attend without management present.
6. The Company Secretary, or his nominee, shall be secretary of the Committee.

FREQUENCY OF MEETINGS

7. Meetings shall be held not less than twice a year, and where appropriate should coincide with key dates in the Company's financial reporting cycle.
8. Meetings shall be summoned by the secretary of the Committee at the request of any of its members or at the request of external auditors or internal auditors if they consider it necessary.

AUTHORITY

9. The Committee is authorised by the Board to:
 - a. investigate any activity within its terms of reference;
 - b. seek any information that it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Committee; and
 - c. obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

RESPONSIBILITIES

10. The responsibilities of the Committee shall be:
 - a. to consider the appointment of the external auditor, monitor and assess the independence and objectivity of the external auditor, ensuring that key partners are rotated at appropriate intervals as well as to generally review and monitor the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;

- b. to recommend the audit fee to the Board and pre-approve any fees in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity;
- c. to develop and implement policy on the engagement of the external auditor to supply non-audit services where necessary, 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;
- d. to discuss with the external auditor, the nature and scope of the audit and to review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- e. to oversee the process for selecting the external auditor and make appropriate recommendations through the Board to the shareholders to consider at the Annual General Meeting;
- f. to review the external auditor's management letter and management's response;
- g. to review the internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- h. to consider management's response to any major external or internal audit recommendations;
- i. to approve the appointment or dismissal of the Group Internal Audit Manager;
- j. to review the Company's procedures for handling allegations from whistleblowers;
- k. to review management's and the internal auditor's reports on the effectiveness of systems for internal financial control, financial reporting and risk management;
- l. to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgments contained in them;
- m. to review the Company's internal financial controls, and unless expressly addressed by a separate Board risk committee composed of independent directors, or by the Board itself, to review the Company's internal control and risk management systems;
- n. to review, and challenge where necessary, the actions and judgements of management, in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
 - i. critical accounting policies and practices, and any changes in them
 - ii. decisions requiring a major element of judgement
 - iii. the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed
 - iv. the clarity of disclosures
 - v. significant adjustments resulting from the audit
 - vi. the going-concern assumption
 - vii. compliance with accounting standards
 - viii. compliance with FSA and other legal requirements

- ix. reviewing the Company's statement on internal control systems prior to endorsement by the Board and to review the policies and process for identifying and assessing business risks and the management of those risks by the Company; and
- o. to supervise and monitor a Treasury function;
- p. to consider other topics, as defined by the Board; and
- q. to report to the Board on how it has discharged its responsibilities.

REPORTING PROCEDURES

11. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board, and the Chairman of the Committee or, as a minimum, another member of the Committee, shall attend the Board meeting at which the accounts are approved.
12. The Committee members shall conduct an annual review of their work and these terms of reference and make recommendations to the Board.
13. The Committee's duties and activities during the year shall be disclosed in the annual financial statements.
14. The Chairman of the Committee shall attend the Annual General Meeting and shall answer questions on the Committee's activities and responsibilities.

NOMINATION COMMITTEE

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE OF THE BOARD OF PHOTO-ME INTERNATIONAL PLC (THE COMPANY)

(as approved by the Board of Directors of the Company 1 April 2009 and amended on 9 December 2013)

MEMBERSHIP

1. The membership of the Committee shall be appointed by the Board. The Committee shall consist of not less than three members, the majority of whom shall be independent non-executive directors of the Company - which may include the Chairman of the Board providing that he was considered independent on appointment as Chairman. A quorum shall be two members.
2. The Board shall appoint the Chairman of the Committee who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their number to chair the meeting from those who qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the meeting when it is considering issues relating to the Chairman of the Board, including the appointment of his/her successor.

ATTENDANCE AT MEETINGS

3. The Committee may invite others to attend as considered appropriate.
4. The Company Secretary, or his nominee, shall be secretary of the Committee.

FREQUENCY OF MEETINGS

5. Meetings shall be held as frequently as required but not less than annually.
6. Meetings shall be summoned by the secretary of the Committee at the request of the Chairman of the Committee.

AUTHORITY

7. The Committee is authorised by the Board to:
 - a. Investigate any activity within its terms of reference.
 - b. Obtain outside legal or independent professional advice and such advisors may be invited to attend meetings as necessary.

DUTIES

8. The duties of the Committee shall be to:
 - a. Consider candidates to fill Board vacancies from time to time arising or additional appointments to the Board, from a wide range of backgrounds and make recommendations for appointments on merit and against objective criteria and against a specification of the role and capabilities required for the appointment, as well as with due regard to the benefits of diversity on the Board, including gender. In discharging its functions, the Committee will have due regard to the Company's policy on diversity.
 - b. Evaluate and keep under review the structure, size and composition of the Board and the balance of skills, independence, knowledge, experience, and diversity (including gender) within the Board (and the likely changes to such in the future) and make recommendations to the Board in relation to any changes.
 - c. To monitor and review the succession plans for the Chief Executive Officer, other executive directors and the Group's most senior members of management, taking into account the challenges and opportunities facing the Company and what skills and expertise are required, with a view to making a recommendation to the Board regarding any changes.
 - d. Make recommendations to the Board on the composition of the Audit and Remuneration Committees.
 - e. Make recommendations to the Board of suitable candidates for the role of Senior Independent Director.
 - f. Make recommendations to the Board relating to all matters of a director's independence and to review annually each director's independence including his/her actual, potential or perceived conflicts of interests and commitments in terms of time.
 - g. Make recommendations to the Board regarding the re-appointment of non-executive directors upon their falling due for re-election by shareholders in accordance with the Company's articles of association or their re-appointment at the end of the specified term set out in their appointment letter.
 - h. Make a recommendation to the Board relating to the continuation in office of any director.
 - i. Approve a report on the Committee's activities for inclusion in the Company's annual financial statements.
 - j. Consider any other topics as referred to it by the Board from time to time.

REPORTING RESPONSIBILITIES

9. The Chairman of the Committee shall report to the Board on its proceedings after each meeting, informing the Board of the matters the Committee has reviewed and making recommendations when appropriate. The secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board, unless there are issues of confidentiality.

10. The Committee shall review these terms of reference on a regular basis and if necessary, make recommendations to the Board for their amendment.
11. The Committee's duties and activities during the year shall be disclosed in the annual financial statements. The statement shall include the process used to make appointments and explain if external advisors or open advertising has not been used.
12. The Chairman of the Committee shall attend the Annual General Meeting of the Company and shall answer questions on the Committee's activities and responsibilities.