

SPEEDY HIRE PLC

UK CORPORATE GOVERNANCE CODE

COMPLIANCE STATEMENT

**Approved and adopted by the
Board on 30 March 2011
and last updated to 29 March 2018**



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(As approved and adopted by the Board

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INTRODUCTION

The purpose of this document is to record how the Company complies with Sections A to E (inclusive) of the UK Corporate Governance Code published by the Financial Reporting Council and which is applicable for reporting years beginning on or after 17 June 2016 (the "**Corporate Governance Code**" or "**Code**"). Each of the provisions of the Code are quoted in this document and, against each provision, the Board gives a brief statement of how the Company complies. Those compliance statements also refer to the terms of reference of the Nomination, Remuneration and Audit Committees of the Board which are published on the Company's website.

This compliance statement has been formally adopted by the Board for the purposes of the Code.

The compliance statement provides the basis upon which the Directors will report on corporate governance matters in the Company's Annual Report and Accounts in accordance with LR 9.8.6R (6).

It also provides the source material for the auditors to undertake their review of the Company's compliance with the relevant provisions of the Code upon which the Auditors are obliged to report in accordance with paragraph LR 9.8.10R (2).

This revised and updated statement was adopted by the Board on 29 March 2018.

By Order of the Board

Neil Hunt
Company Secretary

SPEEDY HIRE PLC

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Set out below in italics is the text of each paragraph of the Code and, below each paragraph of the Code, the Board's statement as to compliance by the Company.

A: LEADERSHIP

A.1: The Role of the Board

Main Principle

Every company should be headed by an effective board which is collectively responsible for the long-term success of the company.

Supporting Principles

The board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed. The board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

All directors must act in what they consider to be the best interests of the company, consistent with their statutory duties.

Code Provisions

A.1.1. The board should meet sufficiently regularly to discharge its duties effectively. There should be a formal schedule of matters specifically reserved for its decision. The annual report should include a statement of how the board operates, including a high level statement of which types of decisions are to be taken by the board and which are to be delegated to management.

The Board normally meets at least eight times per annum for scheduled Board meetings, including an off-site meeting to solely discuss strategy. The Board also meets as required on an *ad hoc* basis to deal with urgent business, including the consideration and approval of transactions; the *ad hoc* meetings include meetings by telephone and video conference.

The Board has approved a schedule of matters reserved for decision by the Board. This schedule is set out in Appendix I. The Board has resolved to include in the Annual Report and Accounts a high level statement regarding its operation, the types of decisions it takes and matters delegated to management.

A.1.2. The annual report should identify the chairman, the deputy chairman (where there is one), the chief executive, the senior independent director and the chairmen and members of the board committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.

The posts of Chairman and Chief Executive are held by Jan Åstrand and Russell Down respectively. The Board includes the Chairman, the two Executive Directors and four independent Non-Executive Directors: Bob Contreras, Rob Barclay, David Garman and David Shearer. These four Non-Executive Directors bring a strong and independent non-executive element to the Board. The Senior Independent Director is Bob Contreras.

The Remuneration Committee is chaired by Rob Barclay. Its other members are Bob Contreras, David Garman and David Shearer.

The Nomination Committee is chaired by Jan Åstrand. Its other members are Bob Contreras, Rob Barclay, David Garman and David Shearer.

The Audit Committee is chaired by Bob Contreras. Its other members are Rob Barclay David Garman and David Shearer.

Attendance at meetings of the Board and relevant Committee meetings is disclosed in the Annual Report and Accounts.

The above information is disclosed in the Annual Report and Accounts along with reports from those committees.

A.1.3. *The company should arrange appropriate insurance cover in respect of legal action against its directors.*

Appropriate insurance cover is arranged and maintained via the Company's insurance brokers.

A.2: Division of Responsibilities

Main Principle

There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.

Code Provisions

A.2.1. *The roles of chairman and chief executive should not be exercised by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by the board.*

The posts of Chairman and Chief Executive are held by Jan Åstrand and Russell Down respectively. A statement of the division of responsibilities between the Chairman and the Chief Executive is set out at Appendix III.

A.3: The Chairman

Main Principle

The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role.

Supporting Principles

The chairman is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues. The chairman should also promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.

The chairman is also responsible for ensuring that the directors receive accurate, timely and clear information. The chairman should ensure effective communication with shareholders.

Code Provision

A.3.1. *The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If,*

exceptionally a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next annual report.

The Board considers that on appointment as Chairman, Jan Åstrand met the independence criteria set out in paragraph B.1.1. below. The Board has an established policy that the Chief Executive should not go on to become Chairman.

A.4: Non-Executive Directors

Main Principle

As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy.

Supporting Principle

Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning.

Code Provisions

A.4.1. *The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chairman and to serve as an intermediary for the other directors when necessary. The senior independent director should be available to shareholders if they have concerns which contact through the normal channels of chairman, chief executive or other executive directors has failed to resolve or for which such contact is inappropriate.*

The Senior Independent Director is Bob Contreras, and his availability to shareholders in the event that such concerns arise, is duly noted in the Annual Report and Accounts. A description of the role of the Senior Independent Director is set out in Appendix IV.

A.4.2. *The chairman should hold meetings with the non-executive directors without the executives present. Led by the senior independent director, the non-executive directors should meet without the chairman present at least annually to appraise the chairman's performance and on such other occasions as are deemed appropriate.*

The Chairman and other Non-Executive Directors usually meet at least twice a year without the Executive Directors present. In addition, the Chairman regularly briefs the other Non-Executive Directors on relevant developments regarding the Company and Group as necessary.

The Senior Independent Director, Bob Contreras, and the other Non-Executive Directors usually meet at least annually without the Chairman present to appraise the Chairman's performance as part of the Board annual appraisal process. This took place in March 2018.

A.4.3. *Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.*

The minutes of all meetings of the Board and each Committee are taken by the Company Secretary or Assistant Company Secretary. In addition to constituting a record of decisions taken, the minutes reflect questions raised by Directors relating to

the Company's businesses and, in particular, issues arising from the monthly reports included in the Board or Committee papers circulated prior to the relevant meeting. Any unresolved concerns are recorded in the minutes.

On resignation, written concerns (if any) provided by an outgoing Non-Executive Director are circulated by the Chairman to the remaining members of the Board.

B: EFFECTIVENESS

B.1: The Composition of the Board

Main Principle

The board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively.

Supporting Principles

The board should be of sufficient size that the requirements of the business can be met and that changes to the board's composition and that of its committees can be managed without undue disruption, and should not be so large as to be unwieldy.

The board should include an appropriate combination of executive and non-executive directors (and, in particular, independent non-executive directors) such that no individual or small group of individuals can dominate the board's decision taking.

The value of ensuring that committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account in deciding chairmanship and membership of committees.

No one other than the committee chairman and members is entitled to be present at a meeting of the nomination, audit or remuneration committee, but others may attend at the invitation of the committee.

Code Provisions

B.1.1. The board should identify in the annual report each non-executive director it considers to be independent. The board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The board should state its reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the director:

- has been an employee of the company or group within the last five years;*
- has, or has had within the last three years, a material business relationship with the company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;*
- has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme;*
- has close family ties with any of the company's advisers, directors or senior employees;*

- *holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;*
- *represents a significant shareholder; or*
- *has served on the board for more than nine years from the date of their first election.*

The Board considers that all of the Non-Executive Directors are independent, on the basis of the criteria specified above and, generally, are all free from any business or other relationships which could materially interfere with the exercise of their independent judgement. The Board reviews this on an annual basis and, where satisfied that the Non-Executive Directors remain independent, will confirm their independence in the Annual Report and Accounts.

B.1.2. Except for smaller companies, at least half the board, excluding the chairman, should comprise non-executive directors determined by the board to be independent. A smaller company should have at least two independent non-executive directors.

At the date of approval of this Statement there are, in addition to the Chairman, two Executive Directors and four independent Non-Executive Directors on the Board. Therefore at least half the Board, excluding the Chairman, are independent, exceeding the requirements for a small company. The respective experience and backgrounds of the Non-Executive Directors (which is summarised in Director's biographies on the Company's website) clearly indicate that they are of sufficient calibre and number for their views to carry appropriate weight in the Board's decisions.

B.2: Appointments to the Board

Main Principle

There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board.

Supporting Principles

The search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender.

The board should satisfy itself that plans are in place for orderly succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board and to ensure progressive refreshing of the board.

Code Provisions

B.2.1. There should be a nomination committee which should lead the process for board appointments and make recommendations to the board. A majority of members of the nomination committee should be independent non-executive directors. The chairman or an independent non-executive director should chair the committee, but the chairman should not chair the nomination committee when it is dealing with the appointment of a successor to the chairmanship. The nomination committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.

The Board has established a Nomination Committee. Its terms of reference are reviewed annually by the Committee and proposed changes are made to the Board. The current terms are published on the Company's website.

The Nomination Committee has a majority of independent members as it comprises the four independent Non-Executive Directors together with the Chairman. It is chaired by the Chairman, Jan Åstrand. It generally meets on two occasions during a year, although it can meet more regularly if required. The Committee reviews its own performance annually and reviews Non-Executives Directors' independence.

- B.2.2. The nomination committee should evaluate the balance of skills, experience, independence and knowledge on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.*

The key functions of the Nomination Committee are to review the structure and composition of the Board, to identify and propose to the Board suitable candidates to fill Board vacancies, and to undertake succession planning for Board and senior management positions.

- B.2.3. Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board.*

The letters of appointment of each of the Non-Executive Directors and the Chairman confirm that appointments are for specified terms, and reappointment is not automatic. If a Non-Executive Director is proposed to stand for a term beyond six years, this will be subject to particular consideration by the Board.

- B.2.4. A separate section of the annual report should describe the work of the nomination committee, including the process it has used in relation to board appointments. This section should include a description of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. An explanation should be given if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or a non-executive director. Where an external search consultancy has been used, it should be identified in the annual report and a statement made as to whether it has any other connection with the company.*

Since 2004, a separate section on the Nomination Committee has been included in the Company's Annual Report and Accounts.

Search and selection activities for the Non-Executive Director appointed in FY2018 were undertaken with the assistance of an external search agent, Lygon Partners.

B.3: Commitment

Main Principle

All directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively.

Code Provisions

- B.3.1. For the appointment of a chairman, the nomination committee should prepare a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises. A chairman's other significant commitments should be disclosed to the board before appointment and included in the annual report. Changes to such commitments should be reported to the board as they arise, and their impact explained in the next annual report.*

A specification for the role of the Chairman, including anticipated time commitment, is included as part of the written statement of division of responsibilities between Chairman and Chief Executive at Appendix III. Details of the Chairman's other material commitments are disclosed to the Board in advance and a register of the

same maintained by the Company Secretary for inclusion in the Annual Report and Accounts.

- B.3.2. The terms and conditions of appointment of non-executive directors should be made available for inspection. The letter of appointment should set out the expected time commitment. Non-executive directors should undertake that they will have sufficient time to meet what is expected of them. Their other significant commitments should be disclosed to the board before appointment, with a broad indication of the time involved and the board should be informed of subsequent changes.*

The terms and conditions of appointment of all the Non-Executive Directors, and those of the Chairman, are available for inspection at the Company's registered office during normal business hours.

Each letter of appointment specifies the anticipated level of time commitment including, where relevant, additional responsibilities derived from involvement with the Audit, Remuneration or Nomination Committees. Details of other material commitments are disclosed to the Board and a register of the same maintained by the Company Secretary.

- B.3.3. The board should not agree to a full time executive director taking on more than one non-executive directorship in a FTSE 100 company nor the chairmanship of such a company.*

No Director is a Non-Executive Director or Chairman of a FTSE 100 company.

B.4: Development

Main Principle

All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge.

Supporting Principles

The chairman should ensure that the directors continually update their skills and the knowledge and familiarity with the company required to fulfil their role both on the board and on board committees. The company should provide the necessary resources for developing and updating its directors' knowledge and capabilities.

To function effectively, all directors need appropriate knowledge of the company and access to its operations and staff.

Code Provisions

- B.4.1. The chairman should ensure that new directors receive a full, formal and tailored induction on joining the board. As part of this, directors should avail themselves of opportunities to meet major shareholders.*

The Board offers appropriate training to all new Directors. The Board also offers further bespoke training to Directors whose appointment to the Board is the first appointment of that Director to the Board of a listed company. The Directors also recognise the importance of ongoing training and education particularly regarding new laws and regulations which relate to or affect the Company. Such training and education will be obtained by the Directors individually through the Company or through other companies of which they are Directors.

New Non-Executive Directors are encouraged to visit and, if possible, receive experience of operating companies at all levels.

The Chairman and the Company Secretary meet on a regular basis to discuss corporate governance and other issues including, inter alia, information flows, induction and training programmes for Directors.

B.4.2. The chairman should regularly review and agree with each director their training and development needs.

The Chairman annually reviews and agrees with each director any training and development requirements they may have.

B.5: Information and Support

Main Principle

The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Supporting Principles

The chairman is responsible for ensuring that the directors receive accurate, timely and clear information. Management has an obligation to provide such information but directors should seek clarification or amplification where necessary.

Under the direction of the chairman, the company secretary's responsibilities include ensuring good information flows within the board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required.

The company secretary should be responsible for advising the board through the chairman on all governance matters.

Code Provisions

B.5.1. The board should ensure that directors, especially non-executive directors, have access to independent professional advice at the company's expense where they judge it necessary to discharge their responsibilities as directors. Committees should be provided with sufficient resources to undertake their duties.

Procedures are in place to enable directors to take independent professional advice, if necessary, at the Company's expense, in the furtherance of their duties. These are set out at Appendix II.

B.5.2. All directors should have access to the advice and services of the company secretary, who is responsible to the board for ensuring that board procedures are complied with. Both the appointment and removal of the company secretary should be a matter for the board as a whole.

All Directors have access to the advice and services of the Company Secretary, whose role is to ensure that information is received by the Board in a timely manner, all procedures are followed and applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter specifically reserved for decision by the Board.

B.6: Evaluation

Main Principle

The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.

Supporting Principles

Evaluation of the board should consider the balance of skills, experience, independence and knowledge of the company on the board, its diversity, including gender, how the board works together as a unit, and other factors relevant to its effectiveness.

The chairman should act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the board and, where appropriate, proposing new members be appointed to the board or seeking the resignation of directors.

Individual evaluation should aim to show whether each director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for board and committee meetings and any other duties).

Code Provisions

B.6.1. The board should state in the annual report how performance evaluation of the board, its committees and its individual directors has been conducted.

Internal evaluations of the Board, its Committees and all Board members are conducted annually except when an external evaluation is carried out (see response to B.6.2. below). The Annual Report and Accounts contains details of these evaluations.

B.6.2. Evaluation of the board of FTSE 350 companies should be externally facilitated at least every three years. The external facilitator should be identified in the annual report and a statement made as to whether they have any other connection with the company.

From time to time the Company has engaged an external adviser to facilitate or participate in board evaluations. The exercise, identity of the external party and relevant outputs are reported in the Annual Report and Accounts.. Despite not being required to do so, as a SmallCap company, the Board undertook an externally facilitated evaluation exercise during FY2017, led by Condign Board Consulting. The exercise and resulting outcomes were disclosed in the 2017 Annual Report and Accounts.

B.6.3. The non-executive directors, led by the senior independent director, should be responsible for performance evaluation of the chairman, taking into account the views of the executive directors.

The Non-Executive Directors, led by the Senior Independent Director, conducted an evaluation of the Chairman during the FY2018, and the Senior Independent Director discussed the results of that assessment with the Chairman.

B.7: Re-election

Main Principle

All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance.

B.7.1. All directors of FTSE 350 companies should be subject to annual election by shareholders. All other directors should be subject to election by shareholders at the first annual general meeting after their appointment, and to re-election thereafter at intervals of no more than three years. Non-executive directors who have served longer than nine years should be subject to annual re-election. The names of directors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable shareholders to take an informed decision on their election.

Under the Company's Articles of Association, all Directors are subject to election by shareholders at the first Annual General Meeting following appointment and all Directors are subject to retirement by rotation provisions requiring re-election at intervals of no more than three years.

With effect from the 2017 Annual General Meeting the Board determined that in the interests of good governance all Directors should submit for re-election annually.. This also satisfies the re-election provisions within the Articles of Association.

The Board has resolved that sufficient biographical details of all the Directors, including those subject to election or re-election, will be included in the Annual Report and Accounts and on the Company's website. Shareholders will therefore be in a position to take an informed decision on any election or re-election.

B.7.2. The board should set out to shareholders in the papers accompanying a resolution to elect a non-executive director why they believe an individual should be elected. The chairman should confirm to shareholders when proposing re-election that, following formal performance evaluation, the individual's performance continues to be effective and to demonstrate commitment to the role.

The Board has resolved that, in relation to re-elections of Non-Executive Directors, an explanation as to why such persons should be elected shall be included in the relevant circular together with confirmation by the Chairman as to effective performance and demonstrable commitment to the role.

C: ACCOUNTABILITY

C.1: Financial and Business Reporting

Main Principle

The board should present a fair, balanced and understandable assessment of the company's position and prospects.

Supporting Principles

The board's responsibility to present a fair, balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

The board should establish arrangements that will enable it to ensure that the information presented is fair, balanced and understandable.

Code Provisions

C.1.1. The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and

performance, business model and strategy. There should be a statement by the auditor about their reporting responsibilities.

The Board has resolved that the Directors will comply with this Code provision and a statement of responsibility from both the Directors and the external auditor will continue to be included in the Company's Annual Report and Accounts.

- C.1.2. *The directors should include in the annual report an explanation of the basis on which the company generates or preserves value over the longer term (the business model) and the strategy for delivering the objectives of the company.*

The Board resolved that it would comply with this Code provision with effect from its reporting year commencing on 1 April 2011 and will continue to do so.

- C.1.3. *In annual and half-yearly financial statements, the directors should state whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.*

The Board resolved that it would comply with this Code provision with effect from its reporting year commencing on 1 April 2011 and will continue to do so.

C.2: Risk Management and Internal Control

Main Principle

The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems.

Code Provisions

- C.2.1. *The directors should confirm in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. The directors should describe those risks and explain how they are being managed or mitigated.*

The principal risks facing the business are reviewed annually by the Board, taking advice from the Audit Committee, to ensure that a robust evaluation of such risks takes place on an annual basis. This review seeks to confirm both those risks which the Board consider as most pertinent to the Company, as well as identifying how those risks are managed and/or mitigated.

The principal risks and mitigating controls in place are summarised in the Company's Annual Report and Accounts.

- C.2.2. *Taking account of the company's current position and principal risks, the directors should explain in the annual report how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate. The directors should state whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.*

The Company's Viability Statement is set out in its Annual Report and Accounts.

- C.2.3. *The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.*

The Board is responsible for the Group's system of internal control and risk management and for reviewing its effectiveness. The detailed review of internal controls has been delegated by the Board to the Audit Committee.

The Audit Committee undertakes an annual review of the effectiveness of internal controls and risk management taking into consideration the framework and risk register maintained by management, in addition to reports from both internal and external auditors

The Audit Committee has concluded that the internal controls have operated effectively during FY2018.

C.3: Audit Committee and Auditors

Main Principle

The board should establish formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the company's auditor.

Code Provisions

C.3.1. The board should establish an audit committee of at least three, or in the case of smaller companies two, independent non-executive directors. In smaller companies the company chairman may be a member of, but not chair, the committee in addition to the independent non-executive directors, provided he or she was considered independent on appointment as chairman. The board should satisfy itself that at least one member of the audit committee has recent and relevant financial experience.

The audit committee as a whole shall have competence relevant to the sector in which the company operates.

The Board has constituted an Audit Committee. Its terms of reference are set out on the Company's website and those terms of reference are compatible with this Code provision. The Committee comprises four Non-Executive Directors: Bob Contreras (Chairman), Rob Barclay, David Garman and David Shearer . All members are considered by the Board to be independent. The Board is satisfied that Bob Contreras has recent and relevant financial experience and that the Audit Committee as a whole has competence relevant to the sector the Company operates within.

C.3.2. The main role and responsibilities of the audit committee should be set out in written terms of reference and should include:

- 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 judgements contained in them;*
- 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;*
- to monitor and review the effectiveness of the company's internal audit function;*
- to make recommendations to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;*

- *to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;*
- *to develop and implement 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; and*
- *to report to the board on how it has discharged its responsibilities.*

The terms of reference of the Audit Committee include, but are not limited to, all of the above matters.

- C.3.3. *The terms of reference of the audit committee, including its role and the authority delegated to it by the board, should be made available.*

This document and the terms of reference of the Audit Committee are available for inspection at the Company's registered office during normal business hours and are also published on the Company's website.

The Company's Annual Report and Accounts includes a separate section relating to such matters.

- C.3.4. *Where requested by the board, the audit committee should provide advice on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.*

The terms of reference of the Audit Committee includes the above duty.

- C.3.5. *The audit committee should review arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The audit committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.*

A "whistleblowing" procedure was adopted during the financial year ended 31 March 2008 following a review with an independent external body and these procedures continue to be regularly reviewed and monitored. The Audit Committee regularly reviews these procedures as part of its review of the Company's business and ensures that these procedures are updated and amended in line with best practice and the needs of the Company from time to time.

- C.3.6. *The audit committee should monitor and review the effectiveness of the internal audit activities. Where there is no internal audit function, the audit committee should consider annually whether there is a need for an internal audit function and make a recommendation to the board, and the reasons for the absence of such a function should be explained in the relevant section of the annual report.*

The effectiveness of the Group's internal audit function is one of the matters reviewed in conjunction with KPMG under C.2.3. above.

- C.3.7. *The audit committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors. If the board does not accept the audit committee's recommendation, it should include in the annual report, and in any papers recommending appointment or re-appointment, a statement from the audit committee explaining the recommendation and should set out reasons why the board has taken a different position.*

The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors. The Board has resolved to include the statements specified in C.3.7 in the unlikely event that it takes a different position on any such issues from the Audit Committee.

C.3.8. *A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include:*

- *the significant issues that the committee considered in relation to the financial statements, and how these issues were addressed;*
- *an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans, and*
- *if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence are safeguarded.*

The Annual Report and Accounts includes the above matters, including a statement as to the proportion of non-audit services provided by the external auditors. The policy of the Audit Committee is to ensure auditor objectivity and independence is safeguarded at all times. Specifically, non-audit services, including taxation advice and due diligence in connection with significant acquisitions, are regularly put out to tender to other external accounting firms.

D: REMUNERATION

D.1: The Level and Components of Remuneration

Main Principle

Executive directors' remuneration should be designed to promote the long-term success of the company. Performance-related elements should be transparent, stretching and rigorously applied.

Supporting Principles

The remuneration committee should judge where to position their company relative to other companies. But they should use such comparisons with caution, in view of the risk of an upward ratchet of remuneration levels with no corresponding improvement in corporate and individual performance, and should avoid paying more than is necessary.

They should also be sensitive to pay and employment conditions elsewhere in the group, especially when determining annual salary increases.

Code Provisions

D.1.1. *In designing schemes of performance-related remuneration for executive directors, the remuneration committee should follow the provisions in Schedule A to this Code. Schemes should include provisions that would enable the company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so.*

The performance-related elements of the remuneration of the Executive Directors form a significant proportion of their total remuneration packages. The performance-related elements are the bonus schemes in which the Executive Directors are entitled to participate and the participation by the Executive Directors in the Company's Performance Share Plan as approved by shareholders in July 2014.

Those performance-related elements have been designed with a view to aligning the interests of the Executive Directors with those of shareholders and to incentivise performance at the highest level. Clawback provisions are inserted into these performance-related elements in appropriate circumstances.

The Remuneration Committee, with the assistance of advice from New Bridge Street (a trading name of Aon Hewitt Limited, part of Aon plc), an independent remuneration consultancy, reviews on a regular basis the Company's Remuneration Policy including the design of performance-related remuneration schemes. The Remuneration Policy, which has operated since from 1 April 2017, was approved at the AGM on 12 July 2017 and became effective from that date. The current intention is that the revised policy will operate for the balance of the three-year period to the AGM in 2020.

- D.1.2. Where a company releases an executive director to serve as a non-executive director elsewhere, the remuneration report should include a statement as to whether or not the director will retain such earnings and, if so, what the remuneration is.*

The Board has resolved that an appropriate statement be included in the Remuneration Report should relevant circumstances arise. At the date of approval of this Statement, no Executive Director serves as a non-executive director elsewhere.

- D.1.3. Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance-related elements. If, exceptionally, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1).*

Levels of remuneration payable to Non-Executive Directors are regularly benchmarked, with the assistance of external advisors, against companies of a similar size. The levels of remuneration also reflect the time commitment and responsibilities of each role including, where relevant, chairmanship of Board committees.

The Board has resolved that remuneration for Non-Executive Directors should not include share options or other performance-related pay elements.

- D.1.4. The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointment would entail in the event of early termination. The aim should be to avoid rewarding poor performance. They should take a robust line on reducing compensation to reflect departing directors' obligations to mitigate loss.*

On a regular basis, the Remuneration Committee, with the assistance of the Company Secretary, considers the compensation commitments the Executive Directors' service contracts would entail in the event of early termination. The Committee also from time to time considers the advantages of liquidated damage clauses in service contracts. In any event, the Committee's policy remains that compensation for termination of the service contract of an Executive Director would not be paid in the case of removal for misconduct and that a robust line should be taken regarding departing Directors' obligations to mitigate loss.

- D.1.5. Notice or contract periods should be set at one year or less. If it is necessary to offer longer notice or contract periods to new directors recruited from outside, such periods should reduce to one year or less after the initial period.*

The Company's policy is for Executive Directors to have service contracts which may be terminated with no more than 12 months' notice from either party. The notice periods for the current Executive Directors are within this policy.

D.2: Procedure

Main Principle

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.

Supporting Principles

The remuneration committee should take care to recognise and manage conflicts of interest when receiving views from executive directors or senior management, or consulting the chief executive about its proposals. The remuneration committee should also be responsible for appointing any consultants in respect of executive director remuneration.

The chairman of the board should ensure that the committee chairman maintains contact as required with its principal shareholders about remuneration.

Code Provisions

D.2.1. The board should establish a remuneration committee of at least three, or in the case of smaller companies two, independent non-executive directors. In addition the company chairman may also be a member of, but not chair, the committee if he or she was considered independent on appointment as chairman. The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board. Where remuneration consultants are appointed, they should be identified in the annual report and a statement made as to whether they have any other connection with the company.

The Board has constituted a Remuneration Committee. Its terms of reference are published on the Company's website and those terms of reference are compatible with this Code provision. The Committee comprises four Non-Executive Directors: Rob Barclay (Chairman), Bob Contreras, David Garman and David Shearer, all of whom are considered by the Board to be independent. The Chief Executive regularly attends by invitation but is not present for discussions relating to his own remuneration. No Director is allowed to be present for discussions on his own remuneration or to vote on his own remuneration. At the invitation of the Committee Chairman, other members of the Board and senior management may attend meetings of the Committee, except when their own remuneration is under consideration. No Directors are involved in determining their own remuneration.

The Remuneration Committee has appointed New Bridge Street (a trading name of Aon Hewitt Limited, part of Aon plc), an independent remuneration consultancy to advise it in relation to the design of appropriate executive remuneration structures. New Bridge Street has no other connection with the Company, and its fee in respect of this work will be identified in the Annual Report and Accounts.

The terms of reference of the Remuneration Committee are published on the Company's website.

D.2.2. The remuneration committee should have delegated responsibility for setting remuneration for all executive directors and the chairman, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the board but should normally include the first layer of management below board level.

The responsibilities of the Remuneration Committee include setting Remuneration Policy, ensuring that remuneration (including pension rights and compensation payments) and the terms of service of the Executive Directors, the Chairman, the Company Secretary and the tier of operating management immediately below the

Board are appropriate and that Executive Directors are fairly rewarded for the contribution which they make to the Group's overall performance. It is also responsible for the allocation of shares under long-term incentive arrangements approved by shareholders and in accordance with agreed criteria. In addition, it monitors current best practice in remuneration and related issues.

- D.2.3. *The board itself or, where required by the Articles of Association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the Articles of Association. Where permitted by the Articles, the board may however delegate this responsibility to a committee, which might include the chief executive.*

The Board has resolved to delegate this responsibility to a committee established for this purpose. The remuneration of Non-Executive Directors is annually reviewed and determined by a committee usually comprising the Chief Executive and Group Finance Director. See also the response to D.1.3 above.

- D.2.4. *Shareholders should be invited specifically to approve all new long-term incentive schemes (as defined in the Listing Rules) and significant changes to existing schemes, save in the circumstances permitted by the Listing Rules.*

The Board has resolved that all new long-term incentive schemes (as so defined) and significant changes to existing schemes shall be specifically approved by shareholders. In addition, as part of the Company's commitment to transparency regarding its remuneration policy and continuous dialogue with shareholders, the Chairman of the Remuneration Committee, Rob Barclay, intends where relevant to hold discussions with shareholders to take soundings on any material changes to the Company's remuneration policy generally and, in particular, the principal key aspects and features of any proposed new incentive schemes.

E: RELATIONS WITH SHAREHOLDERS

E.1: Dialogue with Shareholders

Main Principle

There should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.

Supporting Principles

Whilst recognising that most shareholder contact is with the chief executive and finance director, the chairman should ensure that all directors are made aware of their major shareholders' issues and concerns.

The board should keep in touch with shareholder opinion in whatever ways are most practical and efficient.

Code Provisions

- E.1.1. *The chairman should ensure that the views of shareholders are communicated to the board as a whole. The chairman should discuss governance and strategy with major shareholders. Non-executive directors should be offered the opportunity to attend scheduled meetings with major shareholders and should expect to attend meetings if requested by major shareholders. The senior independent director should attend sufficient meetings with a range of major shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders.*

The Chief Executive and Group Finance Director routinely attend brokers' and analysts' presentations in relation to the Company's half and full-year results. The Chairman, Chief Executive and Group Finance Director, with assistance from the Company's brokers, collate feedback from such presentations and report the findings to the next meeting of the Board.

The Chairman is also available to discuss matters with major shareholders in relation to, inter alia, strategy and corporate governance issues.

The Senior Independent Director, Bob Contreras, is available to attend meetings with major shareholders in order to understand their issues and concerns should the normal communication channels with the Chairman, Chief Executive or Group Finance Director be considered ineffective or inappropriate.

E.1.2. The board should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of major shareholders about the company, for example through direct face-to-face contact, analysts' or brokers' briefings and surveys of shareholder opinion.

See response at E.1.1 above in relation to collation of feedback from analysts/brokers meetings and meetings with institutional shareholders. This information is reported in the Company's Annual Report and Accounts.

E.2: Constructive Use of General Meetings

Main Principle

The board should use general meetings to communicate with investors and to encourage their participation.

Code Provisions

E.2.1. At any general meeting the company should propose a separate resolution on each substantially separate issue, and should in particular propose a resolution at the AGM relating to the report and accounts. For each resolution, proxy appointment forms should provide shareholders with the option to direct their proxy to vote either for or against the resolution or to withhold their vote. The proxy form and any announcement of the results of a vote should make it clear that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

The Company's AGM procedures comply with this Code provision.

E.2.2. The company should ensure that all valid proxy appointments received for general meetings are properly recorded and counted. For each resolution, where a vote has been taken on a show of hands, the company should ensure that the following information is given at the meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the company:

- *the number of shares in respect of which proxy appointments have been validly made;*
- *the number of votes for the resolution;*
- *the number of votes against the resolution; and*
- *the number of shares in respect of which the vote was directed to be withheld.*

The Company's usual form of proxy results announcement and the Company's AGM procedures comply with this Code provision. The Company provides the number of proxy votes lodged at general meetings on its website.

When, in the opinion of the board, a significant proportion of votes have been cast against a resolution at any general meeting, the company should explain when announcing the results of voting what actions it intends to take to understand the reasons behind the vote result.

The Company intends that, if required, it would give such explanation and undertake to understand the reasons behind the vote result.

- E.2.3. The chairman should arrange for the chairmen of the audit, remuneration and nomination committees to be available to answer questions at the AGM and for all directors to attend.*

All Committee Chairmen (or their deputies if any of them are unavoidably absent) are available to answer questions at each AGM and all Directors are expected to attend the AGM each year.

- E.2.4. The company should arrange for the Notice of the AGM and related papers to be sent to shareholders at least 20 working days before the meeting. For other general meetings this should be at least 14 working days in advance.*

The Company's standard procedure is to arrange for the notice of the AGM and related papers to be sent to shareholders at least 20 working days before the meeting.

SCHEDULE OF MATTERS RESERVED FOR DECISION

BY THE BOARD

(Revised and updated in April 2013 and
adopted by the Board on 11 April 2013)

In this Appendix:

"**Board**" means the Board of the Company;

"**Company**" means Speedy Hire Plc;

"**Director**" means a Director of the Company;

"**Executive Director**" means those Directors who are also employees of the Company;

"**Group**" means the Company and its subsidiaries and subsidiary undertakings for the time being;

"**Levels of Authority**" means the document described as such and as approved by the Board from time to time and being the document which describes the authorities for decision-making by Directors and others in the Group;

"**Listing Rules**" means the Listing Rules of the UK Listing Authority; and

"**Senior Executive**" means any employee of the Group who is designated by the Board, from time to time, as a PDMR, but who is also not an Executive Director.

The following matters are reserved to the Board for decision:

Audit and Financial Reporting

1. Approval of interim and final financial statements and interim management statements.
2. Approval of the Annual Report and Accounts, including the corporate governance statement and remuneration report.
3. Approval of dividend policy.
4. Declaration of the interim dividend and recommendation of the final dividend and any proposal to offer shares instead of a cash dividend.
5. Approval of all changes in accounting policies or practices which the Auditors have advised would be a material change.
6. Remuneration of the Auditors and recommendations for appointment, re-appointment or removal of the Auditors.

Finance, Capital Structure and Banking

7. Approval of the appointment or termination of the appointment of bankers, bank facilities, borrowing from banks or financial institutions, and the issue of guarantees, indemnities and letters of comfort to bankers, the extent to which the assets of the Group are pledged as security, treasury policies, the issue of foreign exchange

exposures, hedging arrangements, banking facility levels and internal and external banking covenants (other than as required pursuant to facilities previously approved by the Board).

8. Approval of the issue of shares or other securities by subsidiaries (other than to other members of the Group).
9. Approval of the issue of guarantees or indemnities relating to liabilities of subsidiaries.
10. Changes relating to the Company's capital structure (including reduction of capital, share issues (except under employee share plans), share buy backs and the use of treasury shares) or its listing or status as a public limited company.
11. Approval of the appointment or removal of the Company's stockbrokers.

Internal Controls

12. Approval of any matters requiring Board approval under the Levels of Authority.
13. Approval of any changes to the Levels of Authority.
14. Approval of the Group's insurance strategy to provide protection against any identified risk and any material changes thereto.
15. Approval of the terms of any Directors' and officers' liability insurance.
16. Approval of business plans and budgets for the Group.
17. Approval of (and significant changes to) the Group's internal control and risk management systems including receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes mitigating the risks to its strategy and objectives, undertaking an annual assessment of those processes and including an appropriate statement for inclusion in the Annual Report and Accounts.

Stock Exchange/Listing Authority

18. Approval of share issues.
19. Approval of all circulars to shareholders, prospectuses and any financial promotions under the Financial Services and Markets Act 2000.
20. Approval and publication of announcements and press releases concerning matters reserved for decision by the Board.
21. Changes to the Share Dealing Policy and Share Dealing Code for dealings in shares of the Company.

Board, Board Committees, Management, Officers and Advisers

22. Appointment (following recommendations by the Nomination Committee) and removal of Directors.
23. Terms of reference or job description of any Director or officer of the Board.
24. Appointment and removal of the Company Secretary.
25. Appointments of or changes to the rewards and remuneration of employees, loans to employees, settling employee claims and similar matters where the value exceeds or is outside the criteria delegated by the Levels of Authority.

26. Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.
27. Ensuring adequate succession planning for the Board and senior management, following recommendations from the Nomination Committee.
28. Selection of the Chairman of the Board and the Chief Executive.
29. Appointment of the Senior Independent Director.
30. Determination of procedures to be followed when, exceptionally, decisions are required between Board meetings.
31. Terms of reference, membership and chairmanship of Board Committees.
32. Determination of the Group's policy regarding appointments/removals of directors and officers of subsidiaries and Senior Executives.
33. Changes to the Group's management and control structure following review of recommendations made by the Executive Directors.
34. Appointment and termination of appointment of any corporate advisers referred to in the Company's Annual Report and Accounts.
35. Determining the independence of Non-Executive Directors.

Group Strategy and Transactions

36. Approval of the Group's strategic plans;
37. Approval of the authorisation procedure for capital and special non-recurring revenue expenditure included within the financial limits delegated by the Levels of Authority;
38. Approval of individual capital projects of the Group where the value exceeds the limits or is otherwise outside the criteria delegated by the Levels of Authority;
39. Approval of the acquisition or disposal of land, property or capital assets of the Group where consideration exceeds limits or is otherwise outside the criteria delegated by the Levels of Authority;
40. Approval of customer agreements, purchasing agreements, sponsorships, client or employee entertainment where the value exceeds the limits or is otherwise outside the criteria delegated by the Levels of Authority;
41. Approval of the acquisition by the Group of the whole or part of the shares in a company, including the establishment of partnerships, joint venture companies and strategic alliances.
42. Approval of a non-share business and assets acquisition where the value exceeds the limits or is otherwise outside the criteria delegated by the Levels of Authority;
43. Extension of the Group's activities into new business or geographic areas.
44. Any decision to dispose of any Group company or division, termination of a partnership, joint venture company or strategic alliance or to cease to operate all or any material part of the Group's business.

Remuneration, Employee benefits and Expenses

45. Approval of policies and framework for executive remuneration including remuneration of Executive Directors and Senior Executives.

46. Approval of major changes to the other employee benefits applicable to all employees of the Group.
47. The introduction of new share incentive plans, or major changes to existing plans, to be put to shareholders for approval.
48. Approval to any action to eliminate any deficiency in a pension scheme.
49. Approval of major redundancy schemes affecting more than 10% of all employees of the Group.
50. Approval of the appointment of the Chairman of the trustees and of the appointment of any trustees of any pension scheme.
51. Approval of the amount of employer's and employee's contributions to any pension schemes.

Litigation

52. The prosecution, defence and settlement of litigation which is likely to or would require disclosure in the Company's Annual Report and Accounts or in any event where the liability exceeds the limits or is outside of the criteria delegated by the Levels of Authority.

Other policies

53. The determination of standards of conduct and ethics for the Group and associated policies, including the Group's corporate social responsibility policy.
54. The approval of and changes to the Group's environmental policies.
55. Determining, establishing and approving changes to the Group's health and safety policies.
56. Formulation of policy regarding charitable and political donations.
57. The location of the Company's registered office.

SPEEDY HIRE PLC
PROCEDURE FOR DIRECTORS TAKING INDEPENDENT
PROFESSIONAL ADVICE

(Adopted by the Board on 9 March 2004)

If a Director considers it necessary to take independent professional advice concerning his or her duties or responsibilities as a Director he or she should be entitled to do so at the Company's expense subject to the limitations set out below and subject to complying with the following procedure:

1. In the first instance a Director who requires such professional advice shall be free to contact the Company's advisers and in some circumstances this would be preferable to seeking independent professional advice. However, it is recognised that in certain circumstances a Director may require independent professional advice. The provisions of paragraph 2 below shall apply to professional advice taken from the Company's advisers as it does to taking advice from independent professional advisers.
2. The procedure which a Director must follow (unless the Board otherwise resolves) is as follows:
 - (a) A Director shall give prior notice to the Chairman (with a copy to the Company Secretary) of his or her intention to seek independent professional advice and shall provide the name(s) of any professional advisers he or she proposes to instruct together with a brief summary of the subject matter. In the Chairman's case, he shall give prior notice to the Senior Independent Director (with a copy to the Company Secretary).
 - (b) The Company Secretary shall provide a written acknowledgement of receipt of the notification.
 - (c) The Director should obtain written authorisation to incur fees up to a maximum amount of £5,000 plus VAT. Such authorisation will not be unreasonably withheld. If further advice is required which would incur fees beyond the above amount of £5,000 plus VAT then the Director must seek further written authorisation; such authorisation will, again, not be unreasonably withheld.
 - (d) Where a Director is required to seek authorisation under sub-paragraph (c) above, that authorisation must be given either: by the Chairman (unless the Director seeking the authorisation is the Chairman) or,

at the option of the Director seeking authorisation or in the case of the Chairman, by two other Directors, one of whom shall be a Non-Executive Director.
3. Independent professional advice for the purposes of this procedure shall include legal advice, the advice of accountants and advice on regulatory matters. It shall exclude advice concerning the personal interests of the Directors concerned, such as advice:
 - (a) to a Director regarding his or her service contract with the Company or his or her dealings in the Company's securities; or
 - (b) in relation to disputes between a Director and the Company on the terms of employment or appointment or service contract of that Director; or

- (c) in connection with the exercise of commercial judgement by a Director in the normal course of fulfilling the responsibilities and duties as a Director of the Company or the Group.
- 4. For the avoidance of doubt, the procedure and limitations set out in this Appendix shall not apply to Executive Directors acting in the furtherance of their executive responsibilities and within their delegated powers.
- 5. Any advice obtained under this procedure shall be made available to the other members of the Board, if the Chairman so requests.

SPEEDY HIRE PLC
STATEMENT OF DIVISION OF RESPONSIBILITIES
BETWEEN CHAIRMAN AND CHIEF EXECUTIVE

(Adopted by the Board on 22 May 2008)

Chairman

The Chairman is pivotal in creating the conditions for overall board and individual director effectiveness, both inside and outside the boardroom. Specifically, it is the responsibility of the Chairman to:

- run the board and set its agenda. The agenda should take full account of the issues and concerns of all board members. Agendas should be forward looking and concentrate on strategic matters rather than formulaic approvals of proposals which can be the subject of appropriate delegated powers to management;
- ensure that the members of the board receive accurate, timely and clear information, in particular about the company's performance, to enable the board to take sound decisions, monitor effectively and provide advice to promote the success of the company;
- ensure effective communication with shareholders and ensure that the members of the board develop an understanding of the views of the major investors;
- manage the board to ensure that sufficient time is allowed for discussion of complex or continuous issues, where appropriate arranging for informal meetings beforehand to enable thorough preparation for the board discussion. It is particularly important that non-executive directors have sufficient time to consider critical issues and are not faced with unrealistic deadlines for decision-making;
- take the lead in providing a properly constructed induction programme for new directors that is comprehensive, formal and tailored, facilitated by the company secretary;
- take the lead in identifying and meeting the development needs of individual directors, with the company secretary having a key role in facilitating provision. It is the responsibility of the Chairman to address the development needs of the board as a whole with a view to enhancing its overall effectiveness as a team;
- ensure that the performance of individuals and of the board as a whole and its committees is evaluated at least once a year;
- encourage active engagement by all the members of the board;
- ensure effective and appropriate delegation of authority from the board to executive management.

The effective Chairman:

- upholds the highest standards of integrity and probity;

- sets the agenda, style and tone of board discussions to promote effective decision-making and constructive debate;
- promotes effective relationships and open communication, both inside and outside the boardroom, between non-executive directors and executive team;
- builds an effective and complementary board and, in conjunction with the Nomination Committee, initiates change and plans succession in board appointments (other than in relation to the position of Chairman), subject to board and shareholders' approval;
- promotes the highest standards of corporate governance, seeks compliance with the provisions of the Code wherever possible and where this is not possible, in conjunction with the Company Secretary, ensures that adequate disclosure is made in the Company's report and accounts;
- ensures effective implementation of board decisions;
- ensures the long term sustainability of the business and the maintenance of an appropriate balance between the interests of shareholders and other stakeholders (employees, customers, suppliers and the community);
- ensures continual improvement in the quality and calibre of the executive team;
- establishes a close relationship of trust with the Chief Executive, providing support and advice while respecting executive responsibility; and
- provides coherent leadership of the company, including representing the company and understanding the views of shareholders.

Chief Executive

The role of the Chief Executive is to lead the executive directors and the wider executive team in developing and implementing the strategy agreed by the board as a whole. Specifically it is the responsibility of the Chief Executive to:

- lead the development, in conjunction with the executive team generally, of the Group's objectives and strategy;
- following agreement as to overall strategy by the board, identify and plan the steps required to implement such strategy and be responsible for their implementation;
- take primary responsibility for setting financial goals and budgets, for agreement and approval by the board, and subsequently to have primary responsibility for their delivery;
- examine all investments and major capital expenditure proposed by members of the Group and recommend to the board those which are, in the overall context of the Group, material either by nature or cost;
- provide effective leadership of the executive team as a whole; and
- develop and maintain relationships at appropriate senior levels with key customers, suppliers and other stakeholders;
- be responsible for promoting, and ensure compliance with, the key corporate values agreed by the board and the Group's corporate social responsibility policy;

- take primary responsibility for and manage the Company's relationships with key shareholders and analysts whilst seeking to broaden the Company's shareholder base, with assistance from the chairman, as the external "face" of the Company;
- develop and, where appropriate seek to add to, the skills of the core executive team in line with the Group's overall objectives and business plans;
- identify and bring to the attention of the board, promising members of management within the business for promotion/further development;
- supervise the appointment and removal of directors and officers of subsidiary companies within the Group;
- identify and supervise the execution of acquisitions, disposals and mergers, expansion of geographic activities and identify and execute new business opportunities outside the Group's current core activities;
- supervise the management of the Group's risk profile in line with the extent and categories of risk identified as acceptable by the board and ensuring appropriate internal controls are in place;
- regularly review the Group's operational performance and organisational structure and recommend any changes as appropriate;
- ensure clear delegation of authorities to the senior executive team;
- ensuring all Group policies are adhered to and conform to the highest standards;
- develop senior teams within subsidiaries and ensure appropriate succession planning; and
- keep the Chairman informed of all important matters relating to the Group.

SPEEDY HIRE PLC

ROLE OF THE SENIOR INDEPENDENT DIRECTOR ("SID")

(Adopted by the Board on 22 May 2008)

1. **Shareholders**
- 1.1 The SID will be available to shareholders if they have concerns that contact through the normal channels of Chairman, Chief Executive or Group Finance Director has failed to resolve or for which such contact is inappropriate.
2. **Chairman**
- 2.1 The SID will normally chair the Nomination Committee when it is considering succession to the role of Chairman of the Board.
- 2.2 The SID will meet with the other independent Non-Executive Directors at least once a year to appraise the Chairman's performance and on such other occasions as are deemed appropriate.