



INFORMATION TECHNOLOGY COMMITTEE TERMS OF REFERENCE

Information Technology Committee – Terms of Reference

INTRODUCTION

This document details the terms of reference for the Information Technology Committee (the “**Committee**”) of Smart Metering Systems PLC (the “**Company**”).

1. The Company and its Committees

- 1.1 The Company is led by a Board of Directors (the “**Board**”) which is responsible for the long-term success of the Company. Both the Board and its associated committees must be comprised of individuals who possess the requisite skills, experience, independence and knowledge to enable them to successfully discharge their respective duties and responsibilities to the Company and its shareholders.
- 1.2 The Board has created the Committee for the purpose of ensuring that the Company’s information technology capabilities are sufficiently monitored and reviewed to ensure the infrastructure of the Company is capable of meeting its demands.

2 Membership of the Committee

- 2.1 The Committee shall be comprised of:-
 - 2.1.1 Ruth Leak (Chair);
 - 2.1.2 Graeme Bissett (Non-Executive Director);
 - 2.1.3 Jamie Richards (Non-Executive Director); and
 - 2.1.4 Miriam Greenwood (Non-Executive Director).
- 2.2 The size of the Committee is considered to be sufficient in comparison to the size of the Company.
- 2.3 The majority of the members of the Committee shall be independent and whilst the Chair of the Board may be a member of the Committee as they are considered independent, they are not the Chair of the Committee.
- 2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as CEO, CFO, the head of information technology and external advisers may be invited by the Chair to attend for all or part of any meeting of the Committee, as and when appropriate and necessary.
- 2.5 Members of the Committee are appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee.
- 2.6 Appointments to the Committee are for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for membership of the Committee.

3 The Chair

- 3.1 The Board shall appoint the Committee Chair who should be an independent Non-Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

- 3.2 The Chair shall attend the annual general meeting to answer any shareholder questions on the Committee's activities.

4 The Secretary

- 4.1 In accordance with good practice, the Company Secretary is also Secretary of the Committee.
- 4.2 The Committee has access to the services of the Secretary on all Committee matters, including:-
- 4.2.1 assisting the Chair in planning the Committee's work;
 - 4.2.2 drawing up meeting agendas;
 - 4.2.3 maintenance of minutes;
 - 4.2.4 collection and distribution of information;
 - 4.2.5 provision of any necessary practical support; and
 - 4.2.6 ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 4.3 The Secretary, or a nominee of the Secretary (with the approval of the Committee), shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.4 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.

5 Quorum

The quorum necessary for the transaction of business shall be two, both of whom must be independent Non-Executive Directors and must include the Chair.

6 Frequency of Meetings

Whilst the frequency with which the Committee needs to meet varies from time to time, at least two meetings are convened per year to review those items that form part of the regular cycle.

7 Notice of Meetings

- 7.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

8 The Role of the Committee

- 8.1 The Committee should carry out the duties below for the Company and all of its subsidiaries.
- 8.2 The Committee shall:-
- 8.2.1 Review and approve the information technology strategy, priorities and/or structures implemented throughout the Company and its wider group, including the impact of and opportunities from emerging changes in technology;

- 8.2.2 review and monitor the on-going allocation of resources and funding required to deliver both the short-term and long-term information technology strategy;
- 8.2.3 oversee any information technology projects which are considered to be of significant importance to the Company. When considering the importance to the Company the following criteria should be considered for referral to the Committee:
 - (a) any project (or series of linked projects) with an anticipated cost of more than £250,000 (whether initially or through a change of scope or cost overrun); or
 - (b) any project which relates to business-critical systems or infrastructure; and
 - (c) any project involving the implementation of a significant new law or regulation affecting the Company's IT systems or data;
- 8.2.4 ensure appropriate information technology standards and procedures are in place, to include full coverage of any external IT audit requirements;
- 8.2.5 review and monitor the Company's information management and data governance framework and systems including any current or future legislative requirements
- 8.2.6 monitor key performance indicators against critical information technology systems and 3rd parties, and ensure actions are taken as necessary;
- 8.2.7 ensure, in conjunction with the Audit Committee, that information and technology risks are identified, assessed and managed in line with relevant frameworks and actions are implemented; and
- 8.2.8 work and liaise with all other committees and the Board, as applicable.

9 Reporting Responsibilities

- 9.1 The Chair of the Committee has overall responsibility to report to the Board on the Committee's proceedings after each meeting.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10 Other Matters

- 10.1 The Committee shall:-
 - 10.1.1 have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required;
 - 10.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
 - 10.1.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate; and
 - 10.1.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

11 Authorisation

- 11.1 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.