

EDEN RESEARCH PLC

AIM COMPLIANCE COMMITTEE TERMS OF REFERENCE

ADOPTED BY THE BOARD

Definitions

Committee means the AIM Compliance Committee.

Board means the Board of Directors.

1 Purpose

The AIM Compliance Committee is responsible for ensuring that the Company:

- 1.1 has in place at all times sufficient procedures, resources and controls to enable its compliance with the AIM Rules for Companies and the AIM Rules for Nominated Advisers (together, the “AIM Rules”);
- 1.2 has in place sufficient procedures to seek advice from its Nominated Adviser in advance regarding its compliance with the AIM Rules whenever it is appropriate and take such advice into account;
- 1.3 ensures that an executive director is available to be contacted by the Nominated Adviser at any time, in order to deal with any reasonable request by the Nominated Adviser pursuant to the AIM Rules or the City Code on Takeovers and Mergers;
- 1.4 ensures that each of the directors of the Company from time to time fully understands the requirements of the AIM Rules and the City Code on Takeovers and Mergers; and
- 1.5 has in place sufficient procedures to approve any share dealing by directors or employees of the Company and to ensure that all share dealings are disclosed without delay in accordance with Rules 17 and 26 of the AIM Rules for Companies.

2 Membership

- 2.1 The members of the AIM Compliance Committee shall be appointed by the Board from amongst the executive and non-executive directors of the Company, on the recommendation of the nomination committee.
- 2.2 The AIM Compliance Committee shall have at least two members. The majority of the members shall be independent non-executive directors, that is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. A quorum shall be two members.
- 2.3 The AIM Compliance Committee’s chairman (the “Chairman”) shall be appointed by the Board, on the recommendation of the nomination committee. The Board shall determine how long the Chairman shall hold office.
- 2.4 The members of the AIM Compliance Committee shall be re-elected each year by the Board and any member of the AIM Compliance Committee can be removed by the Board at any time, subject to the requirement that the number of members does not fall below two at any time.
- 2.5 Each member of the AIM Compliance Committee shall devote extra time to his work as a member, in addition to carrying out his duties as a director of the Company and a member of any other committees of the Board.

3 **Secretary**

The secretary of the AIM Compliance Committee shall be the Company Secretary or such other person as the AIM Compliance Committee may appoint.

4 **Attendance at meetings**

- 4.1 The AIM Compliance Committee may invite other directors to attend its meetings and the Company's nominated adviser, as it considers necessary for its effective operation.
- 4.2 The Chairman and/or Chief Executive of the Company shall, when appropriate, be invited to attend meetings to discuss the performance of executive and non-executive directors and to make proposals as necessary.

5 **Frequency of meetings**

- 5.1 At least two meetings shall be held each year. These meetings shall be convened by the secretary of the AIM Compliance Committee, at the request of the Chairman.
- 5.2 Other meetings of the AIM Compliance Committee shall be convened on request by any member of the AIM Compliance Committee.

6 **Voting Arrangements**

- 6.1 Each member of the AIM Compliance Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the AIM Compliance Committee.
- 6.2 If a matter that is considered by the AIM Compliance Committee is one where a member of the AIM Compliance Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 6.3 Save where he has a personal interest, the Chairman will have a casting vote.
- 6.4 All decisions of the AIM Compliance Committee shall be reported formally to the Board by the AIM Compliance Committee Chairman. The AIM Compliance Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed and shall compile a report on its activities to be included in the Company's annual report.

7 **Authority**

- 7.1 The AIM Compliance Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the Company and all employees are directed to cooperate with any request made by the AIM Compliance Committee.
- 7.2 The AIM Compliance Committee is authorised by the Board to involve itself in, and be informed about, any matters relating to any issue of procedure, resources and/or control, so as to ensure that the Company complies with the AIM Rules.
- 7.3 The AIM Compliance Committee is authorised by the Board (subject to first informing the Board of its intention to do so) to seek advice from the Company's nominated adviser regarding its compliance with the AIM Rules whenever is appropriate and to take such advice into account.
- 7.4 The AIM Compliance Committee is authorised by the Board (subject to first informing the Board of its intention to do so) to obtain outside legal or other independent professional advice at the Company's expense and to secure the attendance of outsiders with the relevant experience, it is considers this necessary.

8 **Duties**

- 8.1 The duties of the AIM Compliance Committee shall be:
- 8.1.1 to make recommendations to the Board or the Chairman on procedures, resources and controls, so as to enable the Company's compliance with the AIM Rules;
 - 8.1.2 to provide the Company's nominated adviser with any information it requests in order for it to carry out its responsibilities under the AIM Rules;
 - 8.1.3 to ensure that each of the directors accepts full responsibility, both collectively and individually, for compliance with the AIM Rules;
 - 8.1.4 to ensure that each of the directors discloses without delay all information which the Company needs in order to comply with Rules 17 and 26 of the AIM Rules for Companies, insofar as that information is known to the directors or could with reasonable diligence be ascertained; and
 - 8.1.5 to consider, at the request of the Board or the Chairman, the making of any appointment or re-appointment to the Board and to provide advice and recommendation to the Board (as the case may be) on any such appointment.
- 8.2 In undertaking the above duties, the AIM Compliance Committee should bear in mind the size, profitability and market capitalisation of the Company, its reputation and its performance relative to other similar companies, as well as the performance of individuals and the best interests of the shareholders.
- 8.3 No director will be present, take part in any discussion about or vote on any matter connected with his or her own remuneration.

9 **Reporting to The Board**

The AIM Compliance Committee shall circulate the minute of its meetings to all members of the Board.

10 **Procedures**

- 10.1 Subject as provided in these terms of reference and the Company's articles of association and relevant legislations, the AIM Compliance Committee shall determine its own procedures.
- 10.2 The AIM Compliance Committee shall, at least once a year, review its own terms of reference to ensure that it is operating with maximum efficiency and shall recommend to the Board for approval any changes it considers necessary.