

COMMERCIAL GROUP PROPERTIES Plc

TERMS OF REFERENCE

for

THE AIM RULES COMPLIANCE COMMITTEE

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1. Establishment

The Board has established a Committee of the Board to be known as the 'AIM Rules Compliance Committee' (the "Compliance Committee") with a view to ensuring that:

- i) the Directors remain at all times fully cognisant of their obligations under the AIM Rules for Companies: and that
- ii) regular contact is maintained with the Company's nominated advisor so that it is kept up to date with all relevant developments at the Company.

2. Membership

The Compliance Committee shall consist of two persons appointed by the Board from amongst the directors of the Company. A quorum shall be both members.

3. Attendance at Meetings

- 3.1 Only members of the Compliance Committee shall have the right to attend Compliance Committee meetings. However, both other Board members and any other persons that the Compliance Committee considers appropriate may be invited to attend all or part of any meeting.
- 3.2 The Company's nominated adviser shall be invited to attend all Compliance Committee meetings.
- 3.3 The Compliance Committee may at each meeting appoint one of their number to be the secretary of the Compliance Committee.

4. Frequency of Meetings

- 4.1 Meetings of the Compliance Committee shall be held not less often than twice a year.
- 4.2 Further extraordinary meetings of the Compliance Committee shall be convened if requested by the Company's nominated adviser.
- 4.3 Notwithstanding the foregoing the members of the Compliance Committee shall report to the Company's nominated adviser on any matter falling within their terms of reference at the earliest possible opportunity in line with the general objective and purpose of the Compliance Committee and shall not wait for a formal meeting of the Compliance Committee before so reporting

5. Authority

- 5.1 The Compliance Committee is authorised by the Board to carry out any action within its terms of reference. In this respect the members of the Compliance Committee have been given full power and authority to perform, approve, execute, deliver and/or issue all things which the Compliance Committee considers necessary or expedient in connection with the Company's Admission to and subsequent trading on AIM, or any matter incidental thereto.
- 5.2 The Compliance Committee is authorised to seek any information they may require from any employee and all employees will be directed to co-operate with any request made by the Compliance Committee.
- 5.3 The Compliance Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if the Compliance Committee considers this necessary.

6. Specific Duties

The duties of the Compliance Committee shall include, without limitation, raising and discussing with or issuing notification to the nominated advisor in relation to the following:

- (i) any deals by Directors in respect of any ordinary shares in which they are interested;
- (ii) any changes to the interests of any shareholder holding 3% or more of any ordinary shares which increase or decrease such holding through any single percentage;
- (iii) the resignation, dismissal or appointment of any Director;
- (iv) any change in the Company's accounting reference date, registered office address or any change in its legal name;

- (v) any material change between the Company's actual trading performance or financial condition and any profit forecast, estimate or projection made public on behalf of the Company;
- (vi) any decision to make any payment in ordinary shares;
- (vii) the reason for the application for Admission to trading on AIM or the cancellation of any ordinary shares;
- (viii) the occurrence and number of ordinary shares taken into and out of treasury;
- (ix) the resignation, dismissal or appointment of the Company's nominated advisor or broker from time to time;
- (x) any change in the website address operated by the Company including any changes in order to ensure continued compliance with Rule 26 of the AIM Rules for Companies;
- (xi) the admission to any other exchange or trading platform of the ordinary shares;
- (xii) any changes relating to the Company in connection with its: financial condition, sphere of activity, performance of its business and the expectation of its performance.

7. Reporting Procedures

The secretary of the Compliance Committee shall circulate the minutes of meetings of the Compliance Committee to all members of the Board.

8. Annual General Meeting

A representative of the Compliance Committee shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Compliance Committee's activities.