



### 1. Membership

- 1.1 The Committee shall consist of at least three independent Non Executive Directors of the Company.
- 1.2 The Committee shall be appointed by the Board on recommendation from the Nominations Committee, which will review membership and attendance annually in consultation with the Chairman of the Committee.
- 1.3 The Chairman of the Committee shall be appointed by the Board and shall be an independent Non Executive Director. In the absence of the Committee Chairman, the remaining independent Non Executive Directors on the Committee shall elect one of their number to chair the meeting.
- 1.4 The Committee may invite the Group Chairman, the Chief Executive, other Board members, the Group HR Director and independent professional advisers to attend meetings as appropriate. However, such invitees shall have no right of attendance.

### 2. Secretary

The Company Secretary or his nominee shall act as secretary of the Committee.

### 3. Quorum

A quorum shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the powers and discretions vested in or exercisable by the Committee.

### 4. Meetings

- 4.1 Meetings shall be held as appropriate, but not less than twice each year.
- 4.2 Meetings of the Committee shall be convened by the secretary of the Committee at the request of any member thereof.
- 4.3 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, and any other person invited to attend, no fewer than three working days prior to the date of the meeting.

### 5. Minutes of Meetings

- 5.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 5.2 Minutes of Committee meetings shall be circulated to all members of the Committee, once agreed by the Chairman of the Committee.



### 6. Annual General Meeting

- 6.1 The Committee will prepare, on behalf of the Board, a report on the Company's policy and practices to be included in the Company's Annual Report and ensure that each year it is put to shareholders for approval at the AGM.
- 6.2 The Chairman of the Committee shall attend the Annual General Meeting and shall be available to answer questions, on the Committee's activities.

### 7. Duties & Responsibilities

- 7.1 The Committee is charged by the Board:
  - 7.1.1 to determine the Company's policy on executive remuneration;
  - 7.1.2 within the terms of the agreed policy, to set specific remuneration packages for each of the executive directors including:
    - (a) basic salaries;
    - (b) performance related elements, including bonuses and long term incentives; and
    - (c) other benefits (including pensions and cars);
  - 7.1.3 to advise the Board on the remuneration of the Group Chairman;
  - 7.1.4 to advise the Board on any compensation payments on the termination of contracts of executive directors and in so doing ensure that contractual terms on termination, and any payments are made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
  - 7.1.5 to maintain an awareness of and ensure it is advised and consulted on all aspects of remuneration for members of the Global Leadership Team;
  - 7.1.6 to advise the Board on matters relating to the remuneration of the Group as a whole, including:
    - (a) pay rises
    - (b) Group-wide share schemes
  - 7.1.7 to monitor the Group's share-ownership guidelines as they apply to the Executive directors;
  - 7.1.8 to agree the policy for authorising claims for expenses from the Chairman and Chief Executive;
  - 7.1.9 to consult with the Chief Executive on all matters pertaining to the Committee's remit, but only in an advisory capacity;
  - 7.1.10 to have responsibility for setting the remuneration policy for all Executive directors and the Company's Chairman, including pension rights and compensation payments;
  - 7.1.11 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;



## Terms of Reference

- 7.1.12 when setting remuneration policy for directors, review and have regard to pay and employment conditions across the Group, especially when determining annual salary increases;
- 7.1.13 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive directors and other designated senior executives, and the performance targets to be used;
- 7.1.14 approve the design of, and determine targets for any performance-allotted related pay scheme is operated by the Company and approve the total annual payments made under such schemes; and
- 7.1.15 in determining the remuneration policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the Code and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.
- 7.2 The Committee shall have no responsibilities in respect of the remuneration of non-executive directors whose remuneration shall be fixed by the Chairman of the Board and the Chief Executive.
- 7.3 No director or senior management shall be involved in any decisions as to their own remuneration.
- 7.4 The Chairman of the Committee shall make a summary report of each meeting to the Board.
- 7.5 If the Committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.
- 7.6 Through the Chairman of the Board, the Committee shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## 8. Authority

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

<b>Title:</b>	Remuneration Committee Terms of Reference		
<b>Author/ Responsibility:</b>	Company Secretary	<b>Date:</b>	September 2016
<b>Version:</b>	2016/1	<b>Ref:</b>	

References to the ICSA Guidance on Terms of Reference for the Nomination Committee have been made in this document.