

## Remuneration Committee – Terms of Reference

References within this Section to “the Committee” mean the Remuneration Committee.

### **1 Membership and Attendance**

- 1.1** Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination & Corporate Governance Committee in consultation with the Chairman of the Remuneration Committee. The Board has determined that all non-executive directors (excluding the Chairman of the Board) should be members of the Committee. The Chairman of the Board may also be appointed to serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman.
- 1.2** Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, the Chief Executive Officer and the Group Director of Human Resources will be invited to attend all or any part of any meeting as and when appropriate. Invitees have no right of attendance and no director may be present or vote when his/her remuneration is being considered.
- 1.3** Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director still meets the criteria for membership of the Committee.
- 1.4** The Board shall appoint the Chairman of the Remuneration Committee who shall be an independent non-executive director and shall determine the period for which the appointee is to hold office. In the absence of the Committee Chairman, the remaining members present shall elect one of their number present to chair the meeting.

### **2 Secretary**

- 2.1** The Company Secretary or his or her designee shall act as the Secretary of the Committee.

### **3 Quorum and Location**

- 3.1** The quorum necessary for the transaction of business shall be two members of whom at least one must be an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

- 3.2 A majority of the meetings of the Committee will be held in the Republic of Ireland; other Committee meetings may be held at another location outside the United Kingdom.

#### **4 Frequency of meetings**

- 4.1 The Committee shall meet at least three times a year.

#### **5 Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members. Such meetings must be convened from the Republic of Ireland.
- 5.2 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 and any other person required to attend, no later than four 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.
- 5.3 The Secretary of the Committee shall give notice of meetings to the Chairman of the Board, the Chief Executive Officer and the Group Director of Human Resources.

#### **6 Minutes and reporting responsibilities**

- 6.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 6.2 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3 The Chairman of the Committee shall report to the Board at the first Board meeting following each Remuneration Committee meeting.
- 6.4 Draft minutes of Committee meetings and any resolutions in writing shall be circulated to all members of the Committee, the Chairman of the Board and the Chief Executive Officer.
- 6.5 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the AGM.
- 6.6 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

## **7 Annual General Meeting**

- 7.1** The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's reports and activities.

## **8 Duties**

The Committee shall:

- 8.1** Determine and agree with the Board the framework or broad policy for the remuneration of the Chief Executive Officer, the Chairman of the Board, the executive directors, the Company Secretary and such other senior executives as it is, from time to time, designated to consider. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or executive shall be involved in any decisions as to his or her own remuneration;
- 8.2** In determining such policy, take into account all factors, which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to ensure that members of executive management are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- 8.3** Review the ongoing appropriateness and relevance of the remuneration policy;
- 8.4** Approve the design of, and determine targets for, Group performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 8.5** Review the design of all share incentive plans for approval by the Board and shareholders. For all such plans, determine each year whether awards will be made and, if so, the overall amounts of such awards, the individual awards to executive directors, the Company Secretary and other designated senior executives and the performance targets to be used;
- 8.6** Determine the policy for, and scope of, pension arrangements for each executive director, the Company Secretary and other designated senior executives;
- 8.7** Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.8** Within the terms of the agreed policy, and in consultation with the Chairman of the Board and/or Chief Executive as appropriate, approve the total individual remuneration package of each executive director, the Company Secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards;

- 8.9** In approving such packages and arrangements, give due regard to any relevant legal requirements, provisions and recommendations in the UK Corporate Governance Code, the UK Listing Rules and the UK Disclosure and Transparency Rules and associated guidance;
- 8.10** When setting remuneration policy for directors, review and have regard to the remuneration trends across the Company or Group;
- 8.11** Oversee any major changes in employee benefit structures throughout the Company or Group;
- 8.12** Ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Jersey Companies Law, UK Listing Rules, UK Disclosure and Transparency Rules and the UK Corporate Governance Code, are fulfilled; and
- 8.13** Obtain reliable, up-to-date information about remuneration in other companies.

## **9 Other**

The Committee shall;

- 9.1** have access to sufficient resources in order to carry out its duties, including access to the Group Corporate Secretariat for assistance as required;
- 9.2** give due consideration to relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules and the Disclosure and Transparency Rules as appropriate; and
- 9.3** arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

## **10 Authority**

The Committee is authorised:

- 10.1** to seek any information it requires from any employee of the Company in order to perform its duties; and
- 10.2** to appoint remuneration consultants to advise the Committee, to be exclusively responsible for establishing the selection criteria and setting the terms of reference of such consultants, to obtain, at the Company's expense, any outside legal or other professional advice and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board; and

- 10.3** to sub-delegate certain of its duties to the Chairman of the Committee and/or other Directors and/or a sub-committee of the Committee as the Committee deems appropriate, such delegation to be exercised at all times outside the UK.