

## Remuneration Committee – Terms of Reference

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

### **1 Membership and Attendance**

- 1.1 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.
- 1.2 The Board has determined that all non-executive directors (excluding the Chairman of the Board) should be members of the Committee.
- 1.3 The Board shall appoint the Chairman of the Remuneration Committee from among the independent non-executive directors and shall determine the period for which the appoint is to hold office. . In the absence of the Chairman of the Committee, the remaining members present shall elect one of their number present to chair the meeting.
- 1.4 Attendance by non-members at Committee meetings is at the discretion of the Chairman of the Committee but, normally, the Chairman of the Board, the Group Chief Executive and the Group Director of HR will be invited to attend. Invitees have no right of attendance and no director may be present or vote when his/her remuneration is being considered.
- 1.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three year periods..

### **2 Secretary**

- 2.1 The Company Secretary shall act as the Secretary of the Committee.

### **3 Quorum**

- 3.1 The quorum necessary for the transaction of business shall be two 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.

### **4 Frequency of meetings**

- 4.1 Meetings shall be held at least three times a year.
- 4.2 The Secretary of the Committee shall give notice of meetings to the Chairman of the Board, the Group Chief Executive and the Group Director of HR.

## **5 Minutes and reporting procedures**

- 5.1 The Chairman of the Committee shall report to the Board at the first Board meeting following each Remuneration Committee meeting.
- 5.2 Minutes of meetings and any resolutions in writing shall be circulated to all Committee members, the Chairman of the Board and Group Chief Executive.
- 5.3 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.

## **6 Annual General Meeting**

- 6.1 The Chairman of the Committee shall be prepared to respond to any shareholder questions, at the Annual General Meeting, on the Committee's activities.

## **7 Duties**

The Committee shall:

- 7.1 Determine and agree with the Board the framework or broad policy for the remuneration of the Group Chief Executive, 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 executive members of the Board. No director or executive shall be involved in any decisions as to his or her own remuneration.
- 7.2 In determining such policy, take into account all factors, which it deems necessary. 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.
- 7.3 Review the ongoing appropriateness and relevance of the remuneration policy.
- 7.4 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.
- 7.5 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 and other designated senior executives and the performance targets to be used.

- 7.6 Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.
- 7.7 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.
- 7.8 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.
- 7.9 In approving such packages and arrangements, give due regard to any relevant legal requirements, provisions and recommendations in the Combined Code and the UK Listing Rules and associated guidance.
- 7.10 Review and note annually the remuneration trends across the Company or Group.
- 7.11 Oversee any major changes in employee benefit structures throughout the Company or Group.
- 7.12 Ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Jersey Companies Law, UK Listing Rules and the Combined Code, are fulfilled.

## **8 Authority**

- 8.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to be able to discharge its duties.
- 8.2 In connection with its duties the Committee is authorised by the Board to appoint remuneration consultants to advise the Committee and be exclusively responsible for establishing the selection criteria and setting the terms of reference and to obtain, at the Company's expense, any outside legal or other professional advice.
- 8.3 The Committee is authorised by the Board to sub-delegate certain of its duties to the Chairman of the Committee and/or other Directors as the Committee deems appropriate.

## **9 Other**

The Committee shall, annually, review its own performance, constitution and terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

