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## Remuneration and Nominations Committee Terms of Reference

### 1. Constitution

- 1.1 The Board has resolved to establish a Committee of the Board to be known as the Remuneration and Nominations Committee (the Committee).
- 1.2 The Committee has authority from the Board to consider matters relating to remuneration and nominations as set out in these terms of reference.

### 2. Membership

- 1.3 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board.
- 1.4 All members of the Committee shall be non-executive directors. This will include the Chairman of the Board and the Senior Non-Executive Director.
- 1.5 Appointments to the Committee shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members continue to be Non-Executive Directors.
- 1.6 The Board shall appoint the Committee Chairman. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

### 3. Attendance and Proceedings at Meetings

- 3.1 No one other than the Committee Chairman and Committee members are entitled to attend or vote at a meeting of the Committee.
- 3.2 In the course of performing its functions, the Committee may choose to invite to attend Remuneration Committee meetings such persons, or issue standing invitations to such persons, as it deems appropriate.
- 3.3 In relation to nominations, the Committee may ask other Directors to take part in any selection panel at the discretion of the Committee Chairman.
- 3.4 Meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors.
- 3.5 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to each member of the Committee and any other person required or invited to attend not later than five days prior to the date of the meeting, or if later as soon as is practicable. Failure to provide documents relating to any issue for discussion at the meeting will not preclude discussion about the same, nor any decision relating thereto, at a meeting of the Committee.
- 3.6 In the event that a matter is required to be resolved by a vote of the Committee,



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any such matter shall be decided by a majority of votes.

#### **4. Minute Secretary**

4.1 The Minute Secretary of the Committee shall be appointed at the start of each meeting to keep a record of:

4.1.1 The action points arising from the meeting.

4.1.2 The membership of and the dates of any changes to the membership of the Committee.

4.1.3 Any person or firm who provides advice or services to the Committee or materially assists the Committee on matters relating to remuneration or nominations. The Minute Secretary shall keep a record of the nature of any other services provided by that person to the Company during the year.

4.2 The Minute Secretary shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance.

4.3 Draft minutes of the Committee meetings shall be circulated promptly to all members of the Committee for approval. Once approved, the minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chairman of the Committee.

4.4 Final signed copies of the minutes of the meetings of the Committee should be maintained for the company's records, in hard and soft copy where possible.

#### **5. Frequency of Meetings**

5.1 Meetings shall be held not less than four times a year and at such other times as the Chairman of the Committee or the Chairman of the Board shall require.

5.2 Meetings of the Committee shall be summoned by the Minute Secretary of the Committee at the request of the Chairman of the Committee or the Chairman of the Board.

#### **6. Quorum**

6.1 A quorum necessary for the transaction of business shall be two members. A duly convened 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.

#### **7. Authority**

7.1 The Committee is authorised by the Board to investigate any matter within duties as set out in these terms of reference, approval for the expenditure to be given by the Board. It is authorised to seek any information it requires from any Director or employee in order to perform its duties and all Directors and employees are required to co-operate with any requests made by the Committee.

7.2 The Committee is authorised by the Board to obtain external professional advice



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and to secure the attendance of third parties with relevant experience and expertise at meetings of the Committee if it considers this necessary, subject to the prior agreement of the Board to spend that money.

## **8. Annual General Meeting**

8.1 The Chairman of the Committee may be requested to attend the Annual General Meeting to answer questions generally on remuneration and nomination principles and practice and the activities of the Committee throughout the year.

## **9. Duties of the Committee**

- 9.1 To approve the key terms of employment (including without limitation the remuneration package in all its forms), and any changes thereto and any termination, settlement or compromise package or similar, of any Executive Director or any senior executive employed by the Group who reports directly to the Chief Executive Officer. Such key terms shall be the subject of recommendation to the Remuneration Committee by the Chief Executive Officer (other than in respect of his own employment).
- 9.2 To approve any payments or benefits offered to employees in excess of £250,000, which are of an unusual nature and do not form part of that employee's expected remuneration benefits.
- 9.3 To recommend to the Board for approval by the Board the key terms of employment (including without limitation the remuneration package in all its forms), and any changes thereto and any termination, settlement or compromise package or similar of the Chief Executive Officer.
- 9.4 To set notice periods for executive Directors' contracts at one year or less. If it is necessary to offer longer notice or contract periods to new Directors, such periods should reduce after the initial period.
- 9.5 To determine the policy for, and scope of, pension arrangements for each executive Director and senior executive.
- 9.6 At the request of the Board, to review the design and structure of the Company's package of employee incentives, including, without limitation, the determination of appropriate targets, for approval of the design and structure of such package and its constituent elements by the Board and, where relevant, Guarantors.
- 9.7 To ensure that the objective of such package referred to in 9.6 above shall provide employees with appropriate incentives, reflective of their position and role within the Company, to perform, and that employees are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.
- 9.8 To agree the policy for authorising claims for expenses from the Chief Executive Officer.
- 9.9 To be responsible for establishing the selection criteria, selecting, engaging and setting the terms of engagement of any remuneration or recruitment consultants who advise the Committee and to obtain reliable, up-to-date information about remuneration or recruitment at other companies. The Committee shall have full



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authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

9.10 To deliver specific commissions of the Board in relation to hiring key staff and Directors. Examples might include, recruitment of a new Chairman, recruitment of a new CEO, advice on the recruitment of key staff including senior executives and Directors.

## **10. Reporting Procedures**

10.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.2 At the discretion of the Committee's Chairman or at the request of the Board, the Committee shall produce periodic reports of the Company's remuneration and nomination policies and practices for the Board.

## **11. Exclusions**

11.1 For the avoidance of doubt, any decision to employ or dismiss the Chief Executive Officer, or any other Executive Director, will be a decision for the Board to make.

11.2 The remuneration of non-executive Directors shall be a matter for the Board, in accordance with any policy laid down by the Board but should reflect the time commitment and responsibilities of the role.

## **12. General**

12.1 Nothing in these terms of reference is intended to, amend, detract from or conflict with the Articles of Association of the Company, and in such event the Articles of Association shall prevail.