

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

Approved 28 February 2019

#### 1. Constitution

It is hereby resolved that the Remuneration Committee of the Board formed by resolution of the directors on 12 December 2003 be continued on the following terms:

#### 2. Membership

The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than 3 members all of whom shall be independent non-executive directors. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman. Members of the Committee shall be appointed by the Board in consultation with the Chair of the Remuneration Committee. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the member (other than the Chairman of the Board should they be a member of the Committee) remains independent.

The Chairman of the Committee shall be an independent non-executive director appointed by the Board and will not have a second or casting vote in any matter to be determined by the Committee or recommended by the Committee to the Board. The Chairman of the Board shall not chair the Committee. No Member should be involved in deciding their own, individual, remuneration arrangements (other than the basic fee payable to directors).

#### 3. Attendance

All members of the Board shall have the right to attend meetings. The Committee may invite external advisers to attend for all or part of any meeting, as and when appropriate and necessary.

#### 4. Secretary

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

#### 5. Quorum

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

#### 6. Meetings

Meetings shall be held at least twice a year and otherwise at such times as the Committee consider necessary in fulfillment of its duties.

#### 7. Notice of meetings

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, will be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five 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.

## **8. Minutes of meetings**

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

Draft minutes of Committee meetings will be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

## **9. Annual General Meeting**

The Committee Chairman should attend the annual general meeting to answer shareholder questions on the Committee's activities.

## **10. Duties**

The Committee shall in relation to remuneration matters:

- a) determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairman and, in conjunction with the Chairman of the Board, the Directors' remuneration levels. In setting the policy the Committee should take into account the position of the Company relative to other companies;
- b) recommend for approval by the Board the level and structure of remuneration for senior Company employees, determine the level and structure of remuneration for other Company employees and monitor the level and structure of remuneration for all Company employees;
- c) recommend for approval for approval by the Board any policy for, and scope of, pension arrangements for Company employees;
- d) 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;
- e) oversee and approve any major changes in Company employee benefit structures;
- f) agree the vesting of any awards made under any Company Long Term Incentive Plan and any exercise of rights of clawback under such arrangements;
- g) agree the making of any award for any incentive or award scheme involving the shares of the Company;
- h) recommend to the Board of the Company any remuneration structure or incentive plan which would involve the employees or Directors of any subsidiary company being awarded shares in any Group company;
- i) agree the policy for the reimbursement of the expenses of the Company's Chair;

- j) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any external remuneration consultants who advise the Committee; and
- k) obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations.

## **11. Reporting**

The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

The Committee shall produce a report of the Company's remuneration policy and practices to be included in the Company's annual report having regard to the provisions for disclosure and ensure each year that it is put to shareholders for approval at the AGM. 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.

## **12. Other matters**

The Committee shall:

- a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- c) give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, the FCA Remuneration Code or under the AIFMD or CRD IV and any other applicable Rules, and also any guidelines published by industry bodies that they consider appropriate; and
- d) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- e) the Chairman of the Board, through the Chairman of the Committee, shall ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## **13. Authority**

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