

**TERMS OF REFERENCE
OF THE REMUNERATION COMMITTEE
(‘THE COMMITTEE’)**

1. MEMBERSHIP

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee.. The Committee shall be made up of at least two members, who 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.
- 1.2 Only members of the Committee have the right to attend committee meetings. However, other individuals, such as the Chief Executive and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 The Board shall appoint the Chairman of the Committee who shall be an independent Non-Executive Director. 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 who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.
- 1.4 The Company Secretary, or any other person nominated by the Committee, shall act as Secretary of the Committee. The Secretary shall ensure that the Committee is properly constituted and advised, and shall ensure clear coordination with the Board.
- 1.5 Meetings of the Committee may be held by telephone or video conference facility.

2. QUORUM

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

3. MEETINGS

- 3.1 The Committee shall meet at least twice a year and otherwise as required.

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

4. **NOTICE OF MEETINGS**

- 4.1 Meetings of the committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 4.2 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 circulated to each member of the Committee, any other person as necessary, no later than five working days before the date of the meeting, or circulated at such other times as might be agreed between the Committee Chairman and the Secretary.

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 Draft minutes of Committee meetings shall 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.

6. **DUTIES**

The Committee shall:-

- 6.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the Company Secretary and such other members of the senior management team as it is 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 manager shall be involved in any decisions as to their own remuneration.
- 6.2 in determining such policy, the Committee shall take into account all factors which it deems necessary, including relevant legal and regulatory requirements and 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 the senior management of the Company 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.
- 6.3 when setting remuneration policy for Directors, review and have regard to the remuneration trends across the Company or Group.
- 6.4 review the continuing appropriateness and relevance of the remuneration policy.
- 6.5 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive, as appropriate, determine the total individual remuneration package of each Executive Director, the Chairman and other designated senior executives including, where appropriate, bonuses, incentive payments, share options or other share-based awards.

- 6.6 obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board.
- 6.7 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 6.8 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, the executive management team and others and the performance targets to be used.
- 6.9 approve the design of, and determine the targets for any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- 6.10 determine the policy for, and scope of, pension arrangements for each Executive Director and other designated senior executives.
- 6.11 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.
- 6.12 oversee any major changes in employee benefit structures throughout the Group.
- 6.13 agree the policy for authorising claims for expenses from the Directors.

7. REPORTING RESPONSIBILITIES

- 7.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 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 and in accordance with applicable regulations ensure each year that it is put to shareholders for approval at the Annual General Meeting. The report shall contain details of the frequency of, and attendance by members at, Committee meetings.
- 7.4 The Committee shall ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Companies Act 2006, the UK Corporate Governance Code and other applicable legislation are fulfilled.

8. OTHER

The Committee shall:

- 8.1 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary for Board approval.
- 8.2 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 8.3 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
- 8.4 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules, Prospectus and Disclosure and Transparency Rules and any other applicable rules as appropriate.