



Remuneration Committee

Constitution and Terms of Reference

1. Purpose

The general purpose of the committee is to:

- a) Ensure that the remuneration policy and practice is aligned to the Company's purpose and values and is clearly linked to delivery of the Company's long terms strategic goals.

2. Responsibilities

The Committee is a Committee of the Board from which it derives its authority and to which it regularly reports. The Committee shall undertake its responsibilities for the Group as a whole and where relevant for the individual entities forming part of the Group.

The Committee shall:

- a) Have responsibility for setting the remuneration policy for all executive directors, non-executive directors and the Company's Chair, including pension rights and any compensation payments. No director or senior manager shall be involved in any decisions as to their own remuneration.
- b) 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 ("the Code") and associated guidance. The objective of such policy shall be to support the long-term success of the Company, while ensuring the policy does not promote inappropriate risk taking. Performance-related elements should be transparent, stretching and rigorously applied.
- c) Review the ongoing appropriateness and relevance of the remuneration policy.
- d) Within the terms of the agreed policy determine the total individual remuneration package of each executive director, the Company Chair, including bonuses, incentive payments and share options or other awards.
- e) Obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity. To help 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
- f) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of any remuneration consultants appointed by the Committee.
- g) Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve total annual payments made under such schemes

- h) Review the design of all share incentive plans for approval by the board. For any such plans, determine each year whether awards will be made, and if so, the overall amounts of such awards to executive directors.
- i) Develop a formal policy for executive director shareholding requirements.
- j) Ensure that the 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.
- k) Work and liaise with all other Board Committees.

3. Membership

- a) The Committee shall comprise of at least two members, all of whom must be independent non-executive directors. Before appointment as Chair, the appointee should have served on a remuneration comm.
- b) The Board shall appoint the Committee Chair who before appointment as Chair, the appointee should have served on a remuneration committee for at least 12 months and have sufficient skill and experience to manage the remuneration setting process.
- c) Only members of the Committee have the right to attend Committee meetings. However, other individuals including external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- d) 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 remains independent.

4. Secretary

- a) The Company Secretary, or in their absence a nominee shall act as the Secretary of the Committee and attend all meetings. The Company Secretary will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all matters considered by the Committee.

5. Quorum

- a) The quorum necessary for the transaction of business shall be two members. 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.

6. Frequency of Meetings

- a) The Committee shall meet at least two times a year and otherwise as required at the discretion of the Chairman or a majority of the members as may be required by Applicable Laws.

7. Notice of Meetings

- a) Meetings of the Committee shall be convened by the secretary of the Committee at the request of its members, or by the Committee Chair directly.
- b) Unless otherwise agreed by the Committee, notice of each meeting confirming the time and date, together with a physical venue or conference call, shall be forwarded to each member of the Committee no later than three working days before the date of the meeting or otherwise as agreed by the members of the Committee.
- c) Notices, agendas and supporting papers may be sent in electronic form.

8. Minutes of Meetings

- a) The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- b) Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and once approved, to all members of the Board, unless in the opinion of the Chair it would be inappropriate to do so.

9. Annual General Meeting and Annual Report

- a) The Chair of the Committee shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities.
- b) The existence and membership of the Committee will be disclosed in each annual report and accounts of the Company. If the Committee and Board consider this appropriate, such disclosure will be accompanied by a summary of the Committee's activities during the relevant reporting year.

10. Reporting Responsibilities

The Committee Chair shall

- a) Report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall make whatever recommendations to the Board it deems appropriate on any area within its remit.
- b) Compile a report of the Company's remuneration policy and practices to be included in the annual report.
- c) Be responsible to the Board for its work without prejudice to the Board's responsibility for such work or the duties and authority of the Committee.
- d) Make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- e) Through the Chair, ensure where appropriate, that the Company maintains contact as required with its principal shareholders about remuneration.

11. Authority

The Committee shall be authorised to:

- a) Seek any information it requires from any employee of the Company in order to perform its duties
- b) Obtain, at the company's expense, independent, legal, accounting, or other professional advice on any matter it believes necessary to do so

12. Other Matters

The Committee shall:

- a) Have access to sufficient resources to carry out its duties, including access to the company secretariat for assistance as required.
- b) Be provided with appropriate and timely training on an ongoing basis for all members. The induction programme for new members shall cover the role of the Committee, including its terms of reference and expected time commitment by members, an overview of the business, identifying the main business and financial dynamics and risks, and meeting staff, as appropriate.
- c) Give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Rules, Prospectus and Disclosure Guidance and Transparency Rules as appropriate.
- d) 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 to the Board for approval. The Board shall review the Committee's effectiveness annually.
- e) Work and liaise as necessary with all other board committees.