



TERMS OF REFERENCE REMUNERATION COMMITTEE



1. MEMBERSHIP

- 1.1. Members of the Remuneration Committee shall be appointed by the Board.
- 1.2. The Remuneration Committee must comprise a minimum of two members from amongst the non-executive directors of the Company identified by the Board as independent (or if there are none independent, any other non-executive directors).
- 1.3. 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 still meets the criteria for membership of the committee.

2. CHAIRMAN

- 2.1. The Board shall appoint the chairman of the Remuneration Committee. The chairman has the responsibility of liaising with the Board.
- 2.2. The chairman of the Remuneration Committee shall chair the meetings of the Remuneration Committee.
- 2.3. In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of themselves to chair the meetings of the Remuneration Committee.

3. SECRETARY

- 3.1. The company secretary or his/her delegate shall be the secretary of the Remuneration Committee.
- 3.2. The secretary of the Remuneration Committee or his/her delegate shall attend meetings of the Remuneration Committee to take minutes.
- 3.3. In the absence of the secretary of the Remuneration Committee, the members present at the meeting of the Remuneration Committee shall elect another person as the secretary.

4. QUORUM

- 4.1. The quorum necessary for the transaction of business of the Remuneration Committee shall be two members.
- 4.2. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. The relevant member of the Remuneration Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolution of the Remuneration Committee in which he/she and/or his/her associates have a material interest.
- 4.3. A duly convened meeting of the Remuneration 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 Remuneration Committee.

5. FREQUENCY OF MEETINGS

- 5.1. The Remuneration Committee shall meet at least once a year and at such other times as the chairman of the Remuneration Committee shall require.

- 5.2. Any member of the Remuneration Committee may request a meeting if he/she considers that one is necessary.

6. ATTENDANCE AT MEETINGS

- 6.1. Members of the Remuneration Committee may attend meetings of the Remuneration Committee either in person or through other electronic means of communication.
- 6.2. Should any member of the Remuneration Committee wish to attend a meeting through electronic communications, prior arrangements shall be made with the secretary of the Remuneration Committee.
- 6.3. Apart from the members of the Remuneration Committee, the chairman, the chief executive officer, the head of human resources (if any) and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

7. NOTICES OF MEETINGS

- 7.1. Meetings of the Remuneration Committee shall be summoned by the secretary of the Remuneration Committee at the request of any of its members.
- 7.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Remuneration Committee, and to any other person required to attend within a reasonable time prior to the date of the meeting and at least 5 working days before the date of the meeting. Supporting papers shall be sent to Remuneration Committee members and to other attendees as appropriate within a reasonable time prior to the date of the meeting and at least 5 working days before the date of the meeting.
- 7.3. Any member of the Remuneration Committee shall be entitled, by notice to the secretary of the Remuneration Committee, to include other matters relevant to the functions of the Remuneration Committee in the agenda of a Remuneration Committee meeting.

8. MINUTES OF MEETINGS

- 8.1. The secretary of the Remuneration Committee (or his/her delegate) in attendance at the meetings of the Remuneration Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Remuneration Committee and/or dissenting views expressed.
- 8.2. Draft and final versions of minutes of the Remuneration Committee meetings shall be sent to all Remuneration Committee members for their comments and records respectively, in both cases within a reasonable time after the meeting. Once they are agreed, the secretary of the Remuneration Committee shall circulate the minutes, and reports of the Remuneration Committee, to all members of the Remuneration Committee and to all members of the Board, unless a conflict exists.
- 8.3. Minutes of the Remuneration Committee meetings shall be kept by the secretary of the Remuneration Committee and shall be available for inspection by any member of the Remuneration Committee or director at any reasonable time on reasonable notice.

9. ANNUAL GENERAL MEETING

The chairman of the Remuneration Committee shall attend the annual general meeting of the Company and be prepared to respond to any shareholder questions on the Remuneration Committee's activities.

10. DUTIES

The Remuneration Committee shall be responsible for:

- 10.1. determining and agreeing with the Board the framework or broad policy for the remuneration of the chief executive officer, the chairman (where executive) and such other members of the executive management as it is designated to consider. In determining such policy, consider all factors which it deems necessary including the level of the company's remuneration relative to other companies. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and reasonable manner, rewarded for their individual contributions to the success of the Company. 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;
- 10.2. setting the remuneration for all executive directors, the chairman and the company secretary;
- 10.3. recommending and monitoring the level and structure of remuneration for senior management;
- 10.4. reviewing the ongoing appropriateness and relevance of the remuneration policy;
- 10.5. determining targets for any performance-related pay schemes operated by the Company;
- 10.6. determining the policy for and scope of pension arrangements for each executive director;
- 10.7. approving the design of, and determining targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- 10.8. ensuring 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;
- 10.9. within the terms of the agreed policy and in consultation with the chairman and/or chief executive officer as appropriate, determine the total individual remuneration package of each executive director and the senior executives including, where appropriate, bonuses, incentive payments and share options or other share awards, and in determining such packages and arrangements, give due regard to any relevant legal requirements;
- 10.10. co-ordinating closely with the nomination committee, if any, in relation to the remuneration to be offered to any new executive director;
- 10.11. overseeing any major changes in employee benefit structures throughout the group;
- 10.12. reviewing and noting annually the remuneration trends across the Company and its group;
- 10.13. agreeing the policy for authorising claims for expenses from the chief executive officer and the chairman;
- 10.14. ensuring that provisions regarding disclosure of remuneration, including pensions, as set out in the directors' remuneration report, are fulfilled;
- 10.15. be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee; and
- 10.16. reviewing 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 amounts of such

awards, the individual awards to executive directors and other senior executives and the performance targets to be used.

11. REPORTING RESPONSIBILITIES

- 11.1. The chairman of the Remuneration Committee shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities.
- 11.2. The Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.3. The Remuneration Committee shall annually compile a report to shareholders on its role and activities to be included in the Company's corporate governance report.

12. OTHERS

- 12.1. The Remuneration Committee shall have access to sufficient resources in order to discharge its duties. In the event that the Remuneration Committee determines that it has insufficient resources, it may make a request for additional resources to the chief executive officer. If the request for additional resources is denied, the Remuneration Committee may, if it chooses, make a request to the Board through the office of the chief executive officer. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 12.2. All members of the Remuneration Committee shall have access to the advice and services of the secretary of the Remuneration Committee with a view to ensuring that procedures of the Remuneration Committee and all applicable rules and regulations are followed.
- 12.3. Every member of the Remuneration Committee shall give sufficient time and attention to his/her duties as a member of the Remuneration Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.
- 12.4. The Remuneration Committee shall, 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.

13. AUTHORITY

- 13.1. The Remuneration Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it reasonably requires from any employee and all employees are directed to co-operate with any reasonable request made by the Remuneration Committee.
- 13.2. In connection with its duties, the Remuneration Committee is authorised by the Board, at the Company's expense:
 - 13.2.1. to obtain any outside legal or other professional advice; and
 - 13.2.2. within any budgetary constraints imposed by the Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.