

## REMUNERATION COMMITTEE

**Membership** of the Committee is restricted to independent non-executive directors. Its quorum is the Committee Chairman and at least one other member, or any 3 members.

The current members are:

<p>Vindi Banga Robert Swannell Miranda Curtis Richard Solomons</p>	<p>Committee Chairman</p>
<p>Amanda Mellor</p>	<p>Secretary</p>

### Meetings

The Committee shall meet at least 3 times per year. The company secretary maintains an inspection copy of the minutes, which are available to all directors.

The Committee may request the Chairman, members of the executive board, and relevant internal and external specialists to advise the committee on specific issues. The secretary will provide advice and guidance on statutory, regulatory and governance requirements. The Committee Chairman attends the AGM prepared to respond to any shareholder questions on the Committee's activities.

The annual report contains a separate section describing the work of the Committee in discharging its responsibilities.

### Role\*

To recommend to the Board the senior remuneration strategy and framework, giving due regard to the financial and commercial health of the Company and to ensure the Chairman, Chief Executive, executive directors and senior management, (currently comprising Reward Levels H and G) are fairly rewarded for their individual contributions to the Company's overall performance.

### Terms of Reference

- 1 To determine and agree with the Board, taking such external advice as necessary, the appropriate policy for rewarding the Company's Chairman, Chief Executive, executive directors and senior management; and within that policy:
  - 1.1 To determine the total remuneration for the Chairman, Chief Executive, executive directors and secretary and the specific remuneration packages for them as individuals. To advise on the total remuneration package, including salaries, for the remainder of senior management.
  - 1.2 To approve the design of, and determine targets for, any annual performance related pay schemes operated by the Company that include the Chief Executive, executive directors and senior management and approve the total annual payments made under such schemes for those individuals.
  - 1.3 To agree the design of all share incentive plans for approval by the 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 for the Chief Executive, executive directors and senior management and the performance targets to be used.
  - 1.4 To review the achievement of performance targets for all share incentive schemes and determine the appropriateness of the level of achievement when considered against the intention of the targets. Consider whether any factors should be taken into account which would make an alternative outcome more appropriate and aligned to the interests of shareholders.

1.5 To determine and agree the general terms and conditions of service contracts for senior management and specific terms for the Chairman, Chief Executive, executive directors and secretary.

1.6 To ensure that contractual terms for the Chairman, Chief Executive, executive directors and senior management on termination, and any payments made, are fair to the individual and the company, ensuring that failure is not rewarded and that the duty to mitigate loss, as defined in an individual's contract, is fully recognised.

1.7 To agree the contract terms on retirement of the Chairman, Chief Executive, executive directors and senior management, including the level of share incentive schemes which will vest.

1.8 To determine the policy for and scope of pension arrangements for the Chief Executive, executive directors and secretary.

1.9 To monitor and review the effectiveness of the senior remuneration policy and have regard to its impact and compatibility with the remuneration policy and benefit structures more generally across the Group.

1.10 To have regard to the latest legislation, corporate governance best practices, and FCA Listing Rules and the key principles of:  
- devising the total remuneration packages so that they attract, retain and motivate the Chief Executive, executive directors and senior management of the calibre and experience needed by the Company.  
- ensuring accountability, transparency and linkage of rewards to performance.

- 2 To establish the selection criteria, selecting, appointing and setting terms of reference for any remuneration consultants who advise the Committee.
- 3 On behalf of the Board prepare, and to place before shareholders at each annual general meeting, a Directors' Remuneration Report setting out the Company's policy and disclosure on senior remuneration as required by the Directors' Remuneration Report Regulations 2002 and other associated legislative or regulatory requirements.
- 4 To review Remuneration Policy and seek shareholder approval on any changes to Policy, and at least every three years in accordance with regulatory requirements.
- 4 To determine for each annual general meeting any aspect of the remuneration policy to be brought to shareholders that requires their specific approval, e.g. share schemes, in addition to the remuneration report which will be submitted to shareholders annually for general approval.
- 5 To undertake appropriate discussions as necessary with institutional investors on policy or any other aspects of senior remuneration.
- 6 Annually to review and update its terms of reference, recommending any changes to the board and to evaluate its own membership and performance on a regular basis

\* **Note:** The remuneration of non-executive directors is determined by the Chairman and Chief Executive together with the executive directors.