

The Remuneration Committee

1.1. Membership

- i) The Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee and shall consist of at least 3 independent Non-executive Directors. The Chairman may also be a member of the Committee (if he or she was considered independent on appointment) but shall not be Chairman of the Committee.

1.2. Quorum

- i) The quorum for any meeting of the Committee shall be two members.

1.3. Meetings

- i) The Committee shall meet at least twice a year.
- ii) Additional meetings will be called as deemed necessary.
- iii) Any member of the Committee or the Company Secretary may convene a meeting at any time.
- iv) Meetings may be held by telephone, video conference or other method, as appropriate.
- v) A formal agenda will be set for all meetings and minutes will be retained.

1.4. Terms of Reference

1.4.1. Constitution and Authority

- i) The Committee has been established by the board of Directors of the Company ("Board") under the Company's Articles of Association and in accordance with the UK Corporate Governance code ("Corporate Governance Code").
- ii) The Committee is authorised to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires in order to perform its duties from any employee of the Company or any subsidiary undertaking of the Company ("Group"). All such employees are directed to co-operate with any such request made by the Committee.
- iii) If the Committee considers it necessary so to do, it is authorised to obtain appropriate external professional advice including without limitation, legal advice and the advice of independent remuneration consultants to assist it in the performance of its duties, to secure the services of outsiders with relevant experience and expertise. The cost of obtaining such advice or services shall be borne by the Company.
- iv) Each member of the Committee shall disclose to the Committee:
 - (a) Any personal, financial or other interest in any matter to be decided by the Committee;
or
 - (b) Any potential conflict of interest arising from a cross-directorship or otherwise; and,
 - (c) Any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee.

1.4.2. Composition and Meetings

- i) The Chairman of the Committee, who shall be an independent Non-executive Director, shall be appointed by the Board. In the case of an equality of votes, the Chairman of the Committee shall have second or casting vote. In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Company may not chair meetings of the Company.
- ii) The Committee may invite any person it thinks appropriate to attend any Committee meetings. The Chief Executive should normally be invited to attend the Committee's meetings to discuss the performance of the Executive Directors and Senior Management and to make proposals as necessary.
- iii) Without prejudice to 1.4.2 (i) above, members of the Committee shall be appointed for a period of up to three years, which may be extended for two further three year periods provided that the member continues to be independent.
- iv) No member of the Board shall participate at a meeting of the Committee (or during the relevant part) at which their remuneration is being discussed nor may they participate in any recommendation or decision concerning their remuneration.
- v) Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.
- vi) The Company Secretary or his or her nominee shall be the secretary of the Committee.
- vii) If a member is unable to act for any reason, the Chairman of the Committee may appoint another Non-executive Director as an additional member.

1.4.3. Duties

The Committee shall:

- i) Determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, the Executive Directors, the Company Secretary and, if required by the Board, Senior Management. 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 his or her own remuneration;
- ii) In determining the framework or broad policy take into account such factors which it deems necessary. The objectives of such policy shall be to ensure that members of the executive management of the Group 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 Group. It shall also liaise with the Nomination Committee to ensure that the remuneration of newly appointed executives is within the Group's overall policy;
- iii) Review the on-going appropriateness and relevance of the Group's remuneration policy;
- iv) Approve new long term incentive schemes and significant changes to existing schemes, subject to shareholder approval;
- v) Have oversight of the design of incentive schemes, to set performance targets annually for all performance related incentive schemes (including share schemes); to confirm achievement of performance and awards to be made under the schemes and oversight of the general administration of the schemes;

- vi) Determine the policy for, and scope of, pension arrangements for each Executive Director and other Senior Management;
- vii) Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- viii) 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 and other Senior Management including bonuses, incentive payments and share options or other share awards;
- ix) In determining such packages and arrangements, give due regard to any relevant legal or regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and any other institutional investors guidelines regarding the remuneration of Directors of listed companies and the formation and operation of long term incentive schemes which the Committee considers relevant or appropriate;
- x) Review and note annually the remuneration trends across the Group and being sensitive to pay and employment conditions within the Group;
- xi) Consider and determine the other provisions of the service agreements of Directors and Senior Management (in particular, the term of their agreement, the length of any notice period, termination payments and compensation commitments);
- xii) Consider any bonuses to be paid to the Executive Directors and, in respect of any element of remuneration which is performance-related, to formulate suitable performance-related criteria and monitor their operation, and to consider any recommendations of the Chief Executive regarding bonuses or performance related remuneration;
- xiii) To advise on and determine all performance-related formulae relevant to the remuneration of the Executive Directors and to consider their eligibility for annual bonuses and benefits and long term incentive schemes;
- xiv) Review the design of all share based incentive plans operated by or to be established by the Company, including, but not limited to (subject to the scheme rules and any applicable legal or regulatory requirements):
 - (a) The selection of the eligible Directors and other employees to whom the awards should be made;
 - (b) The timing of the grant;
 - (c) The overall value and number of shares over which awards are to be granted;
 - (d) Any exercise price for options or awards;
 - (e) The imposition of performance or other condition which must be complied with before any award / option may vest and be released or exercisable.

- xv) Determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other Senior Management and the performance targets to be used;
- xvi) Oversee any major changes in employee benefit structures, throughout the Group;
- xvii) Agree the policy for authorising the reimbursement of any claims for expenses from the Chief Executive and Chairman of the Company;
- xviii) Ensure that all provisions regarding disclosure of remuneration including pensions, as specified in the UK Corporate Governance Code and elsewhere are fulfilled;
- xix) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- xx) Assess the remuneration paid by other UK Companies of a similar size and complexity in any comparable industry sector and to assess whether changes to the Executive Directors remuneration is appropriate for the purpose of making their remuneration competitive and otherwise comparable with the remuneration paid by such 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;
- xxi) Consider such other matters as may be reasonably requested by the Board;
- xxii) Consider and make recommendations to the Board about the public disclosure of information about the Executive Directors' remuneration packages and structures in addition to those required by law;
- xxiii) Work and liaise as necessary with all other Board committees; and
- xxiv) Ensure that the Chairman of the Committee maintains contact as required with its principal shareholders about remuneration.

1.4.4. Reporting Responsibilities

- i) The Committee chairman shall report 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.
- ii) The Committee shall produce an annual report of the Company's remuneration in the Directors Remuneration Report which will form part of the Company's Annual Report and shall, each year, put it to shareholders for approval at the AGM.
- iii) The Committee shall produce an Annual Report, the Policy Report, and put such Policy or any amendments to shareholders at least every 3 years for approval by shareholders at an AGM or General Meeting, as appropriate.

1.4.5. Performance Review

- i) The 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.

1.4.6. Reporting to Shareholders

- i) The Committee should report annually to shareholders on the Board's behalf. Its report should be included in the Company's Annual Report in compliance with the Companies Act 2006 and the UK Corporate Governance Code (per 1.4.4 (ii) and (iii) above).
- ii) The Chairman of the Committee should attend the Company's Annual General Meeting for the purpose of handling questions and enquiries at the meeting about the remuneration of Executive Directors.
- iii) The terms of reference for the Committee do not encompass decisions to employ or dismiss Executive Directors. The Committee does not have responsibility for the nominations for the Board.

1.4.7. Notice of Meetings

- i) The Secretary of the Committee shall circulate a notice of any meeting of the Committee, confirming the venue, time and date of the meeting and enclosing the agenda of business to be covered at the meeting to all members of the Committee. Supporting papers shall be sent to members of the Committee and to other attendees as appropriate at the same time.

1.4.8. Minutes

- i) The Secretary of the Committee shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- ii) The Secretary shall circulate the minutes of Committee meetings to all members of the Committee and the Chairman of the Board, if not a member. If requested to do so by the Committee, the Secretary shall make the minutes available to other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so