

## REMUNERATION COMMITTEE – TERMS OF REFERENCE

### 1. Membership

- 1.1. The Committee shall be appointed by the Board from amongst the non-executive directors of the company and shall consist of not less than three members
- 1.2. 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 that the majority of the Committee members remain independent.
- 1.3. The Board shall appoint the Committee Chairman.

### 2. Secretary

- 2.1. The Chairman of the Committee shall appoint the secretary of the committee.

### 3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be two both of whom must be independent non-executive directors.

### 4. Frequency of Meetings

- 4.1. The Committee shall meet at least once a year and at such other times as the Chairman of the Committee shall require.

### 5. Notice of Meetings

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee.
- 5.2. 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 Committee, any other person required to attend and all other non-executive directors, no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate.

### 6. Minutes of Meetings

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Board if not represented on the Committee.

### 7. Duties

- 7.1 The Committee shall:
  - 7.1.1 recommend to the Board the Company's policy on remuneration of the, Chief Executive and Management Committee - "the team";
  - 7.1.2. determine the remuneration of "the team";
  - 7.1.3. consider and approve the Chief Executive's recommendations regarding the remuneration packages of the members of the Executive Team;
  - 7.1.4. advise on and monitor a suitable performance related formula which needs to be achievable and motivating;
  - 7.1.5. approve any changes to other terms and conditions for "the team" including pensions and contractual notice arrangements;

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7.1.6. approve any ex gratia payments to retiring members of the Management Committee and to approve proposed termination payments and other associated benefits;

7.1.7. approve the adoption of standard forms of service agreement and to approve any material exception made to the standard form.

7.2 The Committee shall consult with the Audit and Finance Committee on the financial implications of any adjustments to remuneration or terms and conditions before they are recommended to the Board.

### **8. Reporting Responsibilities**

8.1. The Committee Chairman shall report to the Board on its proceedings on all matters within its duties and responsibilities.

### **9. Authority**

9.1. The Committee is authorised to:

9.1.1. seek any information it requires from any employee of the company in order to perform its duties.

9.1.2. to obtain, at the company's expense, outside legal or professional advice on any matters within its terms of reference.