

## **Terms of Reference**

### **Non-Executive Directors' Remuneration Committee**

*References to "the Committee" shall mean the Non- Executive Directors' Remuneration Committee.*

*References to "the Board" shall mean the Board of Directors.*

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#### **1. Membership**

- 1.1. Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least 2 members, all of whom are executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as external advisers may be invited to attend for all or part of any meeting as and when appropriate.

#### **2. Secretary**

- 2.1. The Company Secretary shall act as the Secretary of the Committee.

#### **3. Quorum**

- 3.1. The quorum necessary for the transaction of business shall be 2. 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. A member of the Committee may participate by telephone or video conferencing facility.

#### **4. 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 any of its members.
- 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 no later than 2 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **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.

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- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, be made available to all members of the Board upon request.

**7. Annual General Meeting**

- 7.1. The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

**8. Duties**

The Committee shall:-

- 8.1. determine and agree with the Board the framework or broad policy for the remuneration of the company's non-executive directors. No director shall be involved in any decisions as to his/her own remuneration;
- 8.2. in determining such policy, take into account all factors which it deems necessary.
- 8.3. within the terms of the agreed policy, determine the total individual remuneration package of each non-executive director;
- 8.4. in determining such remuneration, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance;
- 8.5. agree the policy for authorising claims for expenses from the non-executive directors;
- 8.6. approve the terms of appointment of each non-executive director;
- 8.7. determine and agree with the Board the terms of any compensation in the event of early termination of the contract of a non-executive director;
- 8.8. ensure that all provisions regarding disclosure of remuneration, as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code are fulfilled; and
- 8.9. 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 to obtain reliable, up-to-date information about remuneration in other companies if it considers it necessary. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

**9. Reporting Responsibilities**

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

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**10. Authority**

- 10.1. The Committee is authorised by the Board to seek any information it requires in order to perform its duties.
- 10.2. In connection with its duties the Committee is authorised by the Board to obtain, at the company's expense, any outside legal or other professional advice; the appointment of any such advisers to be reported to the Board before commencement of their work.