

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. Membership

- 1.1. The Committee shall be appointed by the Board and will comprise at least three independent Non-executive Directors.
- 1.2. The Committee members shall be independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement.
- 1.3. The Board should appoint the Chairman of the Committee and determine the period for which they hold office. For the time being, Simon Ball is Chair of the Committee. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.4. The members of the Committee will serve at the discretion of the Board and may be removed by the Board. 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 remains independent.

2. Secretary

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

3. Quorum

- 3.1. The quorum necessary for the transaction of business shall be three members. 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.

4. Meetings

- 4.1. The Committee shall normally meet at least three times throughout each year and at such other times as the Chair of the Committee shall require.
- 4.2. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member thereof.
- 4.3. 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 and any other person required to attend no fewer than two working days plus the preceding weekend prior to the date of the meeting. The members of the Committee can waive this requirement if all consent.
- 4.4. Only members of the Committee have the right to attend Committee meetings, however other individuals such as the Chairman, Corporate Services Director, the Chief Executive, the HR Director and external advisers may be invited to attend and speak at a meeting or any part of a meeting of the Committee; other Directors or employees of the Group may be called upon or shall be able to speak by prior arrangement with the Chair of the Committee. However, no Director or employee

shall be present during any part of a meeting when his or her own remuneration is being discussed.

- 4.5. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.6. Minutes of the Committee shall be circulated to all members of the Committee as soon as practical after meetings and tabled for approval at the next subsequent meeting.

5. Annual General Meetings

- 5.1. The Chair of the Committee shall attend the Company's Annual General Meeting prepared to respond to any shareholders' questions on the Committee's activities or on the Directors' Remuneration Report.

6. Duties

6.1. The Committee shall: -

- a) determine and recommend to the Board the framework or broad policy for the remuneration of the Company's Chairman, Executive Directors and such other senior executive management as it is designated to consider. The remuneration of the Non-executive Directors shall be a matter for the Chairman and the Executive Directors of the Company. No Director or manager shall be involved in any decisions as to his or her own remuneration;
- b) in determining such framework or policy, take into account all factors which it deems necessary. The objective of the framework or policy shall be to ensure that the Chairman, Executive Directors and other senior executives of the Company 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 Company. This framework or policy will ensure that remuneration is competitive where ever the Company operates and at a level which will enable the Company to attract, retain and motivate Executive Directors and executive management of the appropriate calibre;
- c) review the ongoing appropriateness and relevance of the remuneration policy and have regard to the remuneration trends across the Company or group;
- d) within the terms of the agreed policy, and in consultation with the Chairman of the Company and other advisers as appropriate, determine the total potential remuneration package of each Executive Director and other designated senior executives including where appropriate salary, pension and other benefits and bonuses under any short and or, long term incentive plans operated by the Company and under any equity incentive plan adopted by the Company;
- e) within the terms of the agreed policy, and in consultation with and taking recommendations from advisers as appropriate the fees payable to the Chairman;
- f) review the design of short term and long term incentive plans for Executive Directors and other designated Executives for approval by the Board and, where necessary, shareholders;

- g) determine the annual policy for grants of performance shares, or any other type of long term incentive award (both cash and equity based), to the Executive Directors and other designated Executives including amongst other things quantum, vesting schedules, performance measures and restrictions and exercise any discretions vested in the Committee under any of these arrangements;
- h) determine whether the performance measures for any short term and long term incentive plans (both equity and cash based) for Executive Directors and other designated Executives operated by the Company have been satisfied, and the potential level of payments;
- i) review the shareholding requirements for Executive Directors;
- j) determine the policy for and the scope of pension arrangements, service agreements, termination payments and compensation commitments for the Executive Directors;
- k) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions of the UK Corporate Governance Code as well as the UK Listing Authority's Rules and any associated guidance;
- l) ensure that contractual terms on termination and any payments made for the Chairman, and Executive Directors are fair to the individual, and the Company, that failure is not rewarded and that the duty of directors to mitigate loss is fully recognised;
- m) approve any amendments to the service contracts of the Chairman, Executive Directors;
- n) agree the policy for authorising claims for expenses from the Chairman and Executive Directors;
- o) receive annual updates on the remuneration trends across the Group; oversee pension entitlements for Executive Directors;
- p) ensure that the provisions regarding disclosure of remuneration including pensions as listed in the Listing Rules and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and any other relevant legislation are fulfilled;
- q) oversee the administration of any short term and long term incentive plans offered to the Executive Directors and other designated Executives including consideration of significant rule changes (ahead of shareholder approval if appropriate). For the avoidance of doubt the actual grant of long term incentives and minor rule changes for administrative purposes will be dealt with by the individual(s) appointed by the Committee to manage the administration of the relevant plan;
- r) be responsible for establishing the selection criteria for any advisers to the Committee, selecting, appointing and setting the terms of reference for any such advisers;
- s) obtain reliable, up-to-date information about relevant remuneration practises/trends. To help 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, within any budgetary restraints imposed by the Board;

- t) conduct a risk review of the Executive Director remuneration policies;
- u) consider and make recommendations on any other issues as requested by the Board.

7. Reporting Responsibilities

- 7.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee shall produce, for approval by the Board, an annual report of the Company's remuneration policy and practices, which will form part of the Company's Annual Report which will be submitted to the Annual General Meeting for members' approval.
- 7.4 The Committee shall make available these terms of reference on the Company's website.

8. Other

- 8.1 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.
- 8.2 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

9. Authority

- 9.1 The Committee is authorised by the Board of Directors to seek any information it requires from any employee of the Company in order to perform its duties.
- 9.2 In connection with its duties, the Committee is authorised by the Board of Directors to obtain, at the Company's expense, any independent legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings if it considers this necessary, and to obtain reliable and up to date information about relevant remuneration practises/trends in other companies. The Committee shall have full authority to commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.

Approved by the Committee 18 March 2014