



- j) Other Directors may be requested to attend or shall be able to speak at meetings by prior arrangement with the Nomination and Remuneration Committee Chairman.
- k) The remuneration of non-executive Directors shall be a matter for the executive Directors of the Board. No Director or manager shall be involved in any decision as to his/her remuneration.

## 2. Annual General Meeting

The Nomination and Remuneration Committee Chairman shall attend each annual general meeting of the Company prepared to respond to any shareholder questions on the Nomination and Remuneration Committee's activities.

## 3. Duties

The Nomination and Remuneration Committee shall in relation to **remuneration** carry out the following duties:-

- a) determine and agree with the Board the framework or broad policy for the remuneration of the Company's Executive Directors and such other members of the executive management as it is requested to consider;
- b) in determining such policy, take into account all factors which it deems necessary. The objective of such policy should be to ensure that members of the executive management 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;
- c) determine targets for any performance related pay schemes operated by the Company;
- d) within the terms of the agreed policy, determine the total individual remuneration package of each executive manager including, where appropriate, bonuses, incentive payments and share options;
- e) determine the policy for scope of pension arrangements, service agreements for the executive management team, termination payments and compensation commitments;
- f) in determining such packages and arrangements, give due regard to the provisions of the Combined Code and associated guidance;
- g) oversee any major changes in employee benefit structures throughout the Company or Group;
- h) vet the reimbursement of any claims for expenses from the Executive Directors of the Company;
- i) prepare an annual report to the Company's shareholders of the Nomination and Remuneration Committee's remuneration policy in accordance with the provisions of the Companies Act 1985 section 2348;
- j) consult with the Chairman of the Board about proposals relating to the remuneration of other executive Directors;
- k) Determine the application of, and invitations and grants of options under any share incentive

scheme(s) and whether any performance conditions attaching to such options have been satisfied and in accordance with the rules of the option schemes, amending, waiving and relaxing such conditions; and

- l) Consider the continuation of the employment of executive Directors beyond normal retirement age.

All decisions and recommendations of the Nomination and Remuneration Committee in respect of Directors' remuneration shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board at a meeting which is properly convened and constituted in accordance with the Company's Articles of Association, provided that the Board shall only have the power to approve or reject the decisions of the Nomination and Remuneration Committee, but that no Director shall be entitled to vote or be counted in the quorum in respect of any resolution relating to his own remuneration.

#### **4. Nomination**

The Nomination and Remuneration Committee shall in relation to **nominations** carry out the following duties:-

- a) regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- b) prepare a description of the role and capabilities required for a particular appointment;
- c) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- d) satisfy itself with regard to succession planning, that the processes and plans are in place with regard to both Board and senior appointments;
- e) assess and articulate the time needed to fulfil the role of Chairman, senior independent director and non executive director, and undertake an annual performance evaluation to ensure that all the members of the Board have devoted sufficient time to their duties;
- f) ensure on appointment that a candidate has sufficient time to undertake the role and review his commitments, ensuring that if he is an executive of another company this will be his sole non-executive appointment; and in the event that a candidate for chairman is being considered take note of the Combined Code issued by the Financial Reporting Council.
- g) ensure that the Secretary on behalf of the Board has formally written to any appointees, detailing the role and time commitments and proposing an induction plan produced in conjunction with the Chairman; and
- h) with regard to the Chairman - assess every three years whether the present incumbent shall continue in post, taking into account stability versus change for the company
- i) assess the re-appointment of any non-executive director at the conclusion of his or her specified term of office
- j) deal with the procedures for re-election by shareholders of any director under any retirement provisions in the Company's articles of association;

- k) deal with any other matters concerning the continuation in office as a director of any director at any time;
- l) discuss with all the non-executive directors (where appropriate) independently and confidentially regarding the position of Chief Executive;
- m) discuss with all the non-executive directors (where appropriate) independently and confidentially regarding the position of Chairman;

All decisions and recommendations of the Nomination and Remuneration Committee in respect of Directors' nominations shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board at a meeting which is properly convened and constituted in accordance with the Company's Articles of Association, provided that the Board shall only have the power to approve or reject the decisions of the Nomination and Remuneration Committee, but that no Director shall be entitled to vote or be counted in the quorum in respect of any resolution relating to his own nomination.

## **5. Authority**

The Nomination and Remuneration Committee is authorised by the Board:-

- a) to seek any information it requires from any employee, consultant and other provider of services to the Company (for example, solicitors, tax advisers, management consultants) in order to perform its duties;
- b) to obtain, at the cost of the Company, such outside legal or other independent professional advice as the Nomination and Remuneration Committee shall consider, in its discretion, to be appropriate to the exercise of its powers and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Nomination and Remuneration Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.