References to “the Committee” shall mean the Remuneration Committee. References to “the Board” shall mean the Board of Directors.

These revised Terms of Reference were adopted by the Board on 21 February 2018.

1. **Membership**

   1.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. The Chairman of the Board may also serve on the Committee as an additional member if considered independent on appointment as Chairman. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee.

   1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, Human Resources Director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

   1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of three years, provided the director still meets the criteria for membership of the Committee.

   1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.

2. **Secretary**

   The Company Secretary or his or her nominee shall act as the secretary of the Committee.

3. **Quorum**

   The quorum necessary for the transaction of business shall be two. 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**

   The Committee shall meet twice a year and otherwise as required.

5. **Notice of meetings**

   5.1 Meetings of the Committee shall be called by the Secretary at the request of the Committee Chairman.
5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers shall be sent to Committee members and to other attendees, as appropriate, not less than three working days before the meeting.

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 Draft minutes of Committee meetings shall be circulated promptly the Chairman of the Committee. Once approved, minutes should be circulated to the Committee and to all other members of the Board, unless it would be inappropriate to do so in the Chairman’s opinion.

7. Annual general meeting

The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee’s activities.

8. Duties

The Committee shall

8.1 have responsibility for setting the remunerative policy for the Company’s Chairman, chief executive and executive directors, including pension rights and any compensation payments. 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 their own remuneration.

8.2 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the Code) and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Board and alignment to the Company’s long strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.

8.3 when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company or Group.

8.4 review the ongoing appropriateness and relevance of the remuneration policy.

8.5 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 the Chairman, each executive director, company secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards.
8.6 Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. 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, within any budgetary restraints imposed by the Board.

8.7 Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

8.8 Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made to executive directors, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used.

8.9 Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes (in accordance with the provisions in Schedule A of the Code).

8.10 Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.

8.11 Ensure that contractual terms on termination and any payments made are fair to the individual and the Company, that failure is not rewarded and the duty to mitigate loss is fully recognised.

8.12 Oversee any major changes in employee benefits structures throughout the Company or Group.

9. Reporting responsibilities

9.1 The Committee Chairman shall report 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.

9.3 The Committee shall produce a report of the Company’s remuneration policy and practices in accordance with legislation and the Code to be included in the Company’s annual report and ensure each year that it is put to shareholders for approval at the AGM.

9.4 Through the Chairman, the Committee will ensure the Company maintains contact as required with its principal shareholders about remuneration.

10. Other matters

The Committee shall

10.1 Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required

10.2 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
10.3 give due consideration to laws and regulations, the provisions of the Code and the requirements of the UK Listing Authority’s Listing, Prospectus and Disclosure Guidance and Transparency Rules and any other applicable Rules, as appropriate.

10.4 arrange for periodic reviews of its own performance and, at least annually, review its 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.

11. Authority

The Committee is authorised by the Board to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference.

21 February 2018

Based upon ICSA standard terms of reference