

**EMIS GROUP PLC**

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**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

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## **EMIS GROUP PLC**

**(the Company)**

### **Remuneration Committee (the Committee): Terms of Reference**

#### **1. MEMBERSHIP**

- 1.1 The Committee shall have at least two members, all of whom shall be independent non-executive directors. A quorum shall be two members. The Chair of the Board may serve as a committee member if they were considered independent on appointment as chair. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee.
- 1.2 The Board on the recommendation of the Nomination Committee, shall appoint the Committee Chair who shall be an independent non-executive director who has served on a Remuneration Committee for at least 12 months. The Board shall determine how long the Chair shall hold office. The Chair of the Board shall not be Chair of the Committee.
- 1.3 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.
- 1.4 If a member is unable to act for any reason, the Chair may appoint another non-executive director as an additional member, provided always that they are independent, as described in paragraph 1.2 above.

#### **2. SECRETARY**

The secretary of the Committee shall be the Company Secretary or such other person as the Committee may appoint.

#### **3. ATTENDANCE AT MEETINGS**

- 3.1 The Committee may invite any person it thinks appropriate to join the members of the Committee at its meetings.

#### 4. **FREQUENCY OF MEETINGS**

- 4.1 At least two meetings shall be held each year. These meetings shall be convened by the secretary of the Committee, at the request of the Chair.
- 4.2 At least 7 days' notice of any meeting of the Committee shall be given, although such notice period may be waived or shortened with the consent of all the members of the Committee for the time being. Notice of the meeting shall confirm the venue, time and date, together with an agenda of items to be discussed. Notice shall be sent to each member of the Committee, any other person required to attend and all other non-executive directors. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

#### 5. **VOTING ARRANGEMENTS**

- 5.1 Each member of the Committee shall have one vote, which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 5.2 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 5.3 Save where he has a personal interest, the Chair will have a casting vote.
- 5.4 All decisions of the Committee shall be formally reported to the Board by the Chair. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed and shall compile a report on its activities to be included in the Company's annual report.

#### 6. **AUTHORITY**

The Committee is authorised by the Board:

- 6.1 to investigate any activity within its terms of reference;
- 6.2 to obtain any information it requires from any employee of the Company, in order to perform its duties;
- 6.3 to obtain, at the Company's expense, outside legal or other independent professional advice on any matter within its terms of reference; and
- 6.4 within any budgetary restraints imposed by the Board, to appoint remuneration consultants and to commission or purchase any relevant reports, surveys or information, which it deems necessary to help fulfil its duties.

## 7. DUTIES

The Committee shall

- 7.1 have responsibility for setting the policy and remuneration for the Company's chief executive, chair of the Board, executive directors, members of the Group Executive team (GXT) and the Company Secretary, including pension rights and any compensation payments. The remuneration of non-executive directors shall be a matter for the chair and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- 7.2 in determining such policy and its implementation take into account all factors, which it deems necessary including the relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The policy's objective shall be to attract, retain and motivate executive management of the Company of the quality required to run the Company successfully without paying more than necessary and be designed to support strategy and promote long-term sustainable success of the Company, having regard to the views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's purpose and values and be clearly linked to the successful delivery of the Company's long-term strategic goals. A significant proportion of remuneration should be structured to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- 7.3 when setting the remuneration policy for executive management, review and take into account workforce related policies and the alignment of incentives and rewards with culture. Members of the Committee should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances;
- 7.4 review the on-going appropriateness and relevance of the remuneration policy;
- 7.5 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;
- 7.6 review the design of all share incentive plans for approval by the Board and, where appropriate, shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and other executives and the performance targets to be used;
- 7.7 determine the policy for, and scope of, pension arrangements for each executive director and other senior executives;

- 7.8 ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 7.9 within the terms of the agreed policy and in consultation with the chair of the board and/or chief executive (as appropriate), to determine the total individual remuneration package of each executive director and other senior executives, including bonuses, incentive payments and share options or other share awards, pensions and other benefits;
- 7.10 review and note annually the remuneration arrangements, policies and trends across the Company/Group;
- 7.11 oversee any major changes in employee benefits structures throughout the Company/Group;
- 7.12 agree the policy for authorising claims for expenses from the Directors;
- 7.13 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 7.14 be exclusively responsible for establishing the selection criteria, selecting, appointment and setting the terms of reference for any remuneration consultants who advise the Committee. If such consultants have been appointed to identify them in the annual report of the Company's remuneration policy and whether they have any other connection with the company;
- 7.15 obtain reliable, up-to-date information about remuneration in other companies. The Remuneration Committee shall have full authority to commission any reports or surveys, which it deems necessary to help fulfil its obligations.
- 7.16 make whatever recommendations to the Board it deems appropriate on any area within its remit, where action or improvement is needed;
- 7.17 make a statement in the company's annual report of the Company's remuneration policy and practices;
- 7.18 annually review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and to recommend any changes it considers necessary to the Board for approval; and
- 7.19 consider such other matters as may be required by the Board.

## 8. **REPORTING RESPONSIBILITIES**

- 8.1 The Committee should report annually on the Board's behalf to the Company's shareholders. Its report should accompany the directors' report in the Company's

annual report and accounts. The Committee's report will include details of the frequency of, and attendance by members at, meetings of the Committee.

8.2 The Chair of the Committee should attend the Company's annual general meeting for the purpose of handling questions and enquiries at the meeting about the remuneration of executive directors.

8.3 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9. **MINUTES**

The secretary of the Committee shall circulate the minutes of each meeting of the Committee and, once agreed, to all members of the Board (unless a conflict of interest exists).

10. **OTHER**

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.

Adopted by the Board 12 July 2019