

## **NAHL GROUP PLC**

### **Remuneration Committee Terms of Reference**

#### **Membership**

1. The committee and its Chair shall be appointed by the Board and consist of all of the company's independent non-executive directors, one of whom shall be its Chair. A quorum shall be two members.
2. The chair will review annually the committee's constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

#### **Attendance at meetings**

3. The CEO, the human resources director and other individuals shall attend meetings if invited by the committee, except when their own remuneration or performance are being considered.

#### **Frequency of meetings**

4. Meetings shall be held not less than two times a year.

#### **Notice of meetings**

5. The agenda and relevant papers shall be sent to the committee members on a timely basis.

#### **Authority**

6. The committee is authorised to:

- 6.1 seek any information it requires from any employee of the company in order to perform its duties;
- 6.2 obtain, at the company's expense, outside remuneration, legal or other professional advice in connection with its duties; and
- 6.3 invite such advisors to attend meetings as appropriate.

Matters for decision by the committee shall be decided by a majority decision of the members.

#### **Responsibilities**

7. The responsibilities of the committee shall be to:

- 7.1 determine and agree with the board the framework or broad policy for the remuneration of the executive directors and such other senior executives it is designated to consider, having due regard for the provisions in the Quoted Companies Alliance's Corporate Governance Code and the London Stock Exchange's AIM Rules for Companies. The remuneration of committee members shall be a matter for decision by the board of the company. No director or executive shall be involved in any decisions as to their own remuneration;
- 7.2 review the ongoing appropriateness and relevance of the remuneration policy;
- 7.3 make recommendations to the board concerning the introduction of any new share incentive plans;
- 7.4 determine pension benefit entitlements for each executive director and other designated senior executives, having regard to the existing contractual arrangements and pensions policies;
- 7.5 determine arrangements in relation to termination of employment of each executive director and other designated senior executives;
- 7.6 in consultation with the company Chair and/or CEO as appropriate, determine the total individual remuneration package of each executive director

and other designated senior executives, including:

- (i) remuneration, including bonuses, having regard to the Company's long strategic term goals. A significant proportion of remuneration shall be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- (ii) bonus objectives and criteria by which performance will be measured;
- (iii) long term incentives, including grants of options, awards or other rights over shares; and
- (iv) terms and conditions of employment; including the directors' car policy and other benefits.

7.7 exercise the powers of the board or, where the committee considers it appropriate, make recommendations to the board, in relation to the following aspects of the company's existing or future executive share option, and other material long term incentive schemes ("Schemes"):

- (i) approval of proposed grant policy for Schemes;
- (ii) establishment of performance criteria as a precondition to the granting, vesting or exercising of rights under Schemes;
- (iii) approval of any change to the rules or performance criteria of Schemes; and
- (iv) exercise or recommending the exercise of discretion where required by the rules of Schemes;

7.8 oversee any major changes in employee benefit structures throughout the company;

7.9 ensure that all provisions regarding disclosure of remuneration in the company's Annual Report are fulfilled;

7.10 establish the selection criteria and select, appoint and set the terms of reference for any remuneration advisers to the committee; and

7.11 review any other matter that the board deems appropriate.

### **Reporting Procedures**

8. Minutes of meetings of the committee shall be circulated to all members of the board and the Chair will report formally to the board after each committee meeting, except where the committee determines it to be inappropriate to do so for reasons of confidentiality.

9. The committee shall produce an annual report of the company's remuneration policy and practices, which will form part of the company's annual report and ensure each year that it is put to shareholders for an advisory vote at the AGM.

10. The Chair of the committee shall attend the AGM and answer relevant questions on the committee's activities and responsibilities.

**September 2018**