

## **TERMS OF REFERENCE: REMUNERATION COMMITTEE**

### **Executive Directors**

#### **1. PURPOSE**

The Remuneration Committee is a sub-committee of the Board. Its purpose is four-fold:

- i. To recommend to the Board the remuneration arrangements for the Chief Executive and the executive directors.
- ii. To review and approve (subject to Board authorisation) the Chief Executive's proposals for the remuneration of the next tier of management.
- iii. To review the Executive's proposals and recommend to the Board the remuneration policies (including any annual increase) for B&B staff in general.
- iv. To draft the Remuneration Report for the Board's approval and inclusion in the Annual Report and Accounts.

'Remuneration' is taken as including basic salaries, all incentive schemes (whether cash or stock related), pensions, all other employment benefits and contract terms.

#### **2. COMPOSITION**

The Committee shall be made up of at least four members, all of whom should be non-executive members of the Board (three of whom must be independent directors).

The quorum is two.

The Committee may invite the Chief Executive and Director of Human Resources to attend all or any part of any meeting.

It may also ask the Company Secretary to act as secretary to the Committee.

#### **3. CHAIRMAN**

The Chairman will be appointed by the Board. He or she must be an independent director.

In addition to his or her duties in chairing the Committee, the Chairman must be available and prepared to answer remuneration-related questions at the AGM. He or she may also be required on occasion to meet major shareholders to discuss remuneration issues.

#### **4. MEETING FREQUENCY**

The Committee will meet as often as deemed necessary to carry out its duties, but in any case not less than twice a year.

Dates will normally be set well in advance, coinciding with key decision points in the calendar, with the agenda and relevant papers being sent out at least seven days in advance.

On occasion it may also be necessary for the Committee to discuss and agree decisions by telephone - for example, regarding the remuneration of a new appointee.

Should the need be felt, any member of the Committee may request a meeting of the Committee, giving at least seven days notice.

#### **5. REPORTING**

The meetings will be minuted and the minutes circulated to all the Committee members though not normally to the full Board.

After each meeting the Chairman will prepare a paper for the Board, summarising the outcome and making any recommendations for which Board approval is sought.

#### **6. INDEPENDENT ADVICE**

The Committee may appoint external advisors to provide guidance, particularly with regard to comparative market information, with the fees being met by the Company.