



Terms of Reference:

Remuneration Committee

Adopted December 2019

## **Purpose**

- 1.1 The Board of Directors of John Menzies plc has established a committee known as the Remuneration Committee.
- 1.2 The primary purpose of the Committee is to:
  - 1.2.1 determine the Company's remuneration policy in respect of the Chairman and Executive Directors;
  - 1.2.2 determine the specific remuneration packages for the Chairman and Executive Directors; and
  - 1.2.3 prior to implementation, be advised of and consider and determine as necessary the remuneration packages for senior management (graded 17 and above).

For the avoidance of doubt and without limitation, 'remuneration package' shall include, where applicable, salary, bonus, participation in Company share schemes (including long-term incentive and bonus share plans), pension arrangements and service contract terms and conditions.

- 1.3 The remuneration of the Non-Executive Directors shall be determined in accordance with the Company's articles of association and reflect the time commitment and responsibilities of the role.

## **2 Membership**

- 2.1 Members of the Committee shall be appointed by the Board in consultation with the Chair of the Committee. Unless otherwise determined by the Board, the Committee shall consist of a minimum of three (3) members, all of whom shall be independent Non-Executive Directors.
- 2.2 The Chair of the Committee shall be appointed by the Board and, prior to appointment, must have served on a remuneration committee for at least 12 months. In the absence of the Chair of the Committee, the members present at any Committee meeting shall elect one of their number to chair the meeting.
- 2.3 The Chair of the Board may be a member of the Committee if they were considered independent on appointment but cannot be Chair of the Committee.
- 2.4 Appointments to the Committee shall be for an initial period of three (3) years, following which membership may be extended for a further three (3) year term. In the absence of exceptional circumstances, Committee appointments shall be for a maximum of three (3) year terms.

## **3 Secretary**

- 3.1 The Group Company Secretary (or such other person as is nominated by them from time to time) shall act as Secretary to the Committee. The Secretary shall ensure that, in advance of any Committee meeting, the Committee members receive such information and papers to allow them to ably discharge their duties and enable full and proper consideration of the issues tabled.
- 3.2 The Secretary shall make available a suitable induction process for new members of the Committee as well as ongoing training where appropriate and agreed with the Committee.

## **4 Meetings and Attendance**

- 4.1 The Committee shall meet at least two (2) times a year, or as otherwise required or determined by the Board.
- 4.2 The quorum necessary for the transaction of Committee business shall be two (2) members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the duties and responsibilities exercisable by the Committee.
- 4.3 Meetings of the Committee shall be called by the Secretary at the request of any of its members and/or the Board.
- 4.4 Unless otherwise agreed by the members of the Committee, notice of a Committee meeting shall be forwarded to each Committee member no later than five (5) working days before the date of a meeting, such notice confirming the venue (if appropriate), date and time of the meeting, together with an agenda of the items to be discussed. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

4.5 Only members of the Committee have the right to attend Committee meetings, although other individuals may be invited to attend all or part of any Committee meeting as and when deemed appropriate.

4.6 No Director should be in attendance when their own individual remuneration and/or benefits are being considered or decided.

## **5 Minutes of Meetings**

5.1 The Secretary shall minute the proceedings and decisions of all Committee meetings, including recording the names of those present and in attendance.

5.2 The Secretary shall circulate the minutes of Committee meetings promptly to all members of the Committee and, once agreed, to all members of the Board.

## **6 Duties and Responsibilities**

6.1 The Committee shall carry out the duties and discharge the responsibilities below for both the Company and the Group, as appropriate, as a whole.

6.2 The Committee shall be responsible for developing and determining as appropriate:

6.2.1 remuneration policy and related practices in respect of the Chairman, Executive Directors and senior management (graded 17 and above), and ensure the alignment of their incentives and rewards with the culture, values and purpose of the Company and the successful delivery of its long-term strategy; and

6.2.2 the policy for, and scope of, pension arrangements for Executive Directors and, in doing so, ensure pension contribution rates, or payments in lieu, are aligned with those available to the workforce,

and when doing so have regard to all relevant matters, as detailed in the applicable UK Corporate Governance Code.

6.3 Where necessary, the Committee shall liaise with the Chair of the Nomination Committee in relation to the remuneration package to be offered to any proposed Executive Director prior to any offer being made.

6.4 In determining remuneration policy, packages and practices, the Committee shall give due regard to the requirements of the applicable UK Corporate Governance Code together with any other relevant legislation, guidelines or investor body guidance from time to time in force.

## **7 Reporting Responsibilities**

7.1 Following each Committee meeting, the Chair of the Committee shall provide a formal update to the Board on its proceedings and all matters falling within the scope of its duties and responsibilities.

7.2 The Committee shall make whatever recommendations to the Board it deems appropriate in respect of any area within its remit where action or improvement is needed.

7.3 A formal report on the Committee's activities and how the Committee has discharged its duties and responsibilities shall be included in the Company's Annual Report and Accounts. This shall include the information on Directors' remuneration required to be disclosed under the Companies Act 2006 (including regulations made thereunder), the applicable UK Corporate Governance Code, the Financial Conduct Authority's Listing Rules and any other relevant statutory, regulatory or governance codes.

7.4 The Chair of the Committee shall be required to attend the Company's annual general meeting to answer any shareholder questions on the Committee's activities.

7.5 The Committee's Terms of Reference shall be made available on the Company's website.

## **8 Other Matters**

The Committee shall:

- 8.1 have access to sufficient resources in order to ably perform its duties and discharge its responsibilities, including access to the Group Company Secretary for assistance as required;
- 8.2 oversee any investigation of activities that falls within the scope of its Terms of Reference; and
- 8.3 at least annually, review its own performance, 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.

## **9 Authority**

The Committee shall be authorised to:

- 9.1 seek any information it requires from any Group employee, including internal Human Resources representatives, in order to ably perform its duties and discharge its responsibilities;
- 9.2 obtain, at the Company's expense, outside legal or other professional advice on any matter that falls within the scope of its Terms of Reference (including, for the avoidance of doubt, the appointment of remuneration consultants); and
- 9.3 call any Group employee, including internal Human Resources representatives, to attend any Committee meeting as and when required.