

## **INTU PROPERTIES PLC**

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

#### **1. Membership**

- 1.1 The Committee shall comprise at least three members, each of whom shall be appointed by the Board.
- 1.2 All members of the Committee shall be non-executive directors who are independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement. The Chairman of the Board may serve as a member of the Committee if he/she was independent upon appointment.
- 1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three-year periods, so long as members (other than the Chairman of the Board, if he / she is a member of the Committee) continue to be independent.
- 1.4 The Committee will be chaired by its chairman, who shall be an independent non- executive director of the Company, or, in his or her absence, by another independent non-executive director. Before appointment as Chairman of the Committee, the appointee should have served on a remuneration committee for at least 12 months (unless otherwise agreed by the Board). The Board should appoint the Committee Chairman and determine the period for which he or she shall hold office. The Chairman of the Board shall not be eligible to be appointed as Chairman of the Committee.
- 1.5 Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the Group Chairman (if he/she is not a member of the Committee), the Chief Executive, the Company Secretary, the HR Director and the Committee's external adviser, may be invited by the Chairman to attend all or part of any meeting, as and when appropriate and necessary. All non- executive directors may attend Committee meetings if they wish, subject to the Chairman of the Committee confirming that it is appropriate to do so.

#### **2. Secretary**

- 2.1 The Company Secretary shall act as the Secretary of the Committee.

#### **3. Quorum**

- 3.1 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. Frequency of Meetings**

- 4.1 The Committee shall schedule an annual timetable of regular meetings and shall also meet at such other times as the Chairman of the Committee requires.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any member thereof.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time and made available to all non-executive directors for information.

## **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 Minutes of Committee meetings shall be circulated to all members of the Committee and to all members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

## **7. Annual General Meeting**

- 7.1 The Chairman of the Committee should attend the Annual General Meeting prepared to respond to any shareholders' questions on the Committee's activities.

## **8. Duties**

The Committee shall:

- 8.1 Determine and agree with the Board the framework or broad policy for the remuneration of the Chairman of the Board, executive directors and such other members of the executive management as it is designated to consider including, as a minimum, the Executive Committee (including the Company Secretary). The remuneration of the non-executive directors shall be a matter for the executive members of the Board within the limits set in the Articles of Association. No director or manager shall be involved in any decisions as to his or her own remuneration;
- 8.2 In determining such policy, take into account all factors which it deems necessary, including the alignment of incentives and rewards with culture. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contribution to the success of the Company. It shall also liaise with the Nomination & Review Committee to ensure that the remuneration of newly appointed executives is within the Company's overall policy;
- 8.3 Determine targets for any performance related pay schemes operated by the Company and asking the Board, when appropriate, to seek shareholder approval for any long term incentive arrangements;
- 8.4 Within the terms of the agreed policy, determine the total individual remuneration package of each executive director and member of the Executive Committee (including the Company Secretary) including, where appropriate, bonuses, incentive payments and share options;
- 8.5 Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.6 Approve the design of and determine the policy for and scope of pension arrangements, service agreements for the executive directors, termination payments and compensation commitments;
- 8.7 In determining such packages and arrangements, give due regard to the comments and recommendations of the UK Corporate Governance Code as well as the UK Listing Authority's Listing Rules and associated guidance;
- 8.8 Be aware of and oversee any major changes in employee benefit structures throughout the Company or group, and review workforce remuneration and related policies across the group;
- 8.9 Review the design and oversee the operation of all share plans operated by the Company. For any such plans, determine each year whether awards will be made and the overall amount of such awards and, in relation to discretionary share plans, the individual awards to executive directors and the Executive Committee (including the Company Secretary) and the performance targets to be used.
- 8.10 To receive annually a schedule of reimbursement of any claims for expenses from the Chief Executive and the Chairman;
- 8.11 Be responsible for producing a Directors' Remuneration Report, to be included in the Company's Annual Report, which complies with the requirements set out in the relevant regulations and with the provisions of the UK Corporate Governance Code; and

8.12 Ensure that the remuneration policy is put to shareholders for approval at the AGM at least every three years.

## **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, through the Chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## **10. Other**

10.1 The Committee should, 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.

10.2 The Committee shall make available to the public its terms of reference (on the Company's website) explaining clearly its role and the authority delegated to it by the Board.

## **11. Authority**

11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

11.2 In connection with its duties the Committee is required by the Board to select, set the terms of reference and appoint Remuneration Consultants, at the Company's expense.

**December 2019**