



John Menzies plc

108 Princes Street  
Edinburgh  
EH2 3AA

T: +44 (0) 131 225 8555  
F: +44 (0) 131 226 3752

[www.johnmenziesplc.com](http://www.johnmenziesplc.com)

# Remuneration Committee

## Terms of Reference

## REMUNERATION COMMITTEE

### 1. Constitution & Role

1.1 The Board has established a committee of the Board, known as the Remuneration Committee:

- 1.1.1 To determine, and agree with the Board, the Company's policy on executive directors' and the Chairman's remuneration.
- 1.1.2 To determine the specific remuneration packages, including incentives and share schemes where appropriate, for the Chairman and the executive directors.
- 1.1.3 To be advised prior to implementation of the remuneration packages, including terms and conditions and any bonus schemes, incentive schemes and share schemes for senior staff (GEMs & SEMs).

### 2. Membership

2.1 The Committee shall be appointed by the Board from amongst the non-executive directors of the Company and shall consist of not less than three members. A quorum shall be two members.

2.2 The Chairman of the Company would not normally be expected to be a member of the Remuneration Committee.

2.3 The Chairman of the Committee shall be appointed by the Board.

2.4 The Company Secretary shall act as Secretary to the Committee. The Chief Executive will be in attendance, except of course when his own remuneration is being discussed. The Director of Human Resources will be in attendance as required.

### 3. Frequency of Meetings

3.1 Meetings shall be held not less than once per annum.

### 4. Scope of Committee

4.1 The Committee shall be responsible for determining:

- 4.1.1 the remuneration packages of the Chairman, the Chief Executive and the other executive directors,
- 4.1.2 the terms and conditions of directors' service contracts, and
- 4.1.3 in considering such matters, the Remuneration Committee should ensure that the overall policy adopted, and the individual packages awarded, provide proper incentives, reward executive directors and senior staff for their responsibilities and performance and reflect market rates.

4.2 The overall remuneration package shall where applicable include:

- Salary
- Bonuses
- Long Term Incentive Plans
- Share Schemes (including options or other awards and any performance targets involved)
- Pension arrangements
- Service Contract terms and conditions
- Any other benefits the Committee consider should be included

(including compensation for loss of office or retirement or post retirement payments or benefits).

4.4 The Chairman of the Committee shall liaise closely with the Chairman of the Nominations Committee in relation to the service contract and remuneration package to be offered to any proposed executive director prior to any offer of appointment being made. Should there be any disagreement between the two Committees, the matter shall be referred to the Board, again prior to any offer being made.

4.5 The Committee will agree the policy for authorising claims for expenses from the Chairman and Chief Executive.

4.6 In determining the directors' packages and arrangements, due regard shall be given to the contents of the Financial Services Authority's Listing Rules and associated guidance, including the Combined Code.

## 5. Access to advisors

5.1 The Committee shall have the power to:

- engage the services of advisors, and
- obtain relevant information from the Group Director of Human Resources or any other source, as it deems either desirable or necessary to enable it to fulfil its responsibilities.

## 6. Reporting

6.1 The Chairman of the Remuneration Committee shall report the Committee's conclusions and decisions to the Board.

6.2 On an annual basis the Remuneration Committee shall report to shareholders on directors' remuneration in accordance with regulations and the requirements of the Listing Rules of the Financial Services Authority. This report shall ordinarily be contained within the Group's Annual Report and Accounts, and will include a report on the frequency of meetings and attendance by members of the Committee.

6.3 The Chairman of the Remuneration Committee shall be required to attend the Group's Annual General Meeting to answer any shareholders' questions about directors' remuneration.

6.4 The Committee's Terms of Reference as above will be made available on the Company's website.