

## AEGIS GROUP PLC

### Terms of Reference for the Remuneration Committee

#### 1 Membership

- 1.1 The Committee shall be appointed by the Board and will comprise at least two members, all of whom are Non-Executive Directors of the Company.
- 1.2 The Committee members shall be independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement.
- 1.3 The Board should appoint the Chairman of the Committee and determine the period for which they hold office. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. For the avoidance of doubt, the Chairman of the Company shall not be eligible to be appointed as Chairman of the Committee.
- 1.4 The members of the Committee will serve at the discretion of the Board and may be removed by the Board. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.

#### 2 Secretary

- 2.1 The Company Secretary, or their nominee, shall act as Secretary of the Committee unless the Committee determines otherwise.

#### 3 Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members. 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 Meetings

- 4.1 The Committee shall normally meet on the day of Board Meetings or Audit Committee meetings at least twice throughout each year and at such other times as the Chairman of the Committee shall require.
- 4.2 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member thereof.
- 4.3 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

two working days plus the preceding weekend prior to the date of the meeting. The members of the Committee can waive this requirement if all consent.

- 4.4 The Chairman of the Company, the Chief Executive and the HR Director may be invited to attend and speak at a meeting of the Committee; others may be called upon or shall be able to speak by prior arrangement with the Chairman of the Committee.
- 4.5 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 4.6 Minutes of the Committee shall be circulated to all members of the Committee as soon as practical after meetings and tabled for approval at the next subsequent meeting. Outcomes may also be available to be circulated to all members of the Board subject to there being no conflict of interest.

## **5 Annual General Meetings**

- 5.1 The Chairman of the Committee shall attend the Company's Annual General Meeting prepared to respond to any shareholders questions on the Committee's activities or on the Directors' Remuneration Report which is moved as a resolution at the Annual General Meeting.

## **6 Duties**

- 6.1 The Committee shall:-
  - a) determine and recommend to the Board the framework or broad policy for the remuneration of the Company's Chairman, Chief Executive, Executive Directors and such other senior executive management as it is designated to consider <sup>1</sup>. The remuneration of the Non-Executive Directors shall be a matter for the whole Board of Directors of the Company. No Director or manager shall be involved in any decisions as to his or her own remuneration;
  - b) in determining such framework or policy, take into account all factors which it deems necessary including pay and conditions elsewhere in the company. The objective of the framework or policy shall be to ensure that the Chairman, Chief Executive, Executive Directors and other senior executives of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. This framework or policy will ensure that remuneration is competitive where ever the Company operates and at a level which will enable the Company to attract, retain and motivate Executive Directors and executive management of the appropriate calibre, but that the Company should avoid paying more than is necessary
  - c) review the ongoing appropriateness and relevance of the remuneration policy;
  - d) within the terms of the agreed policy, and in consultation with and taking recommendations from the Chief Executive, Chairman and other external advisers as appropriate, determine the total potential remuneration package of the Chairman, Chief Executive and each Executive Director including where

appropriate salary, pension and other benefits and bonuses under any short and or, long term incentive plans operated by the Company and under any equity incentive plan agreed by the Company;

- e) review the design of all new share incentive plans for approval by the Board and shareholders. For plans approved by shareholders, determine annual policy for grants of share options, or any other equity incentive arrangements operated by the Company for the Chief Executive Officer, Executive Directors and other senior executives including amongst other things quantum, vesting schedules, performance measures and restrictions and exercise any discretions vested in the Committee under any of these arrangements;
- f) determine the potential level of payments and performance measures for performance related pay schemes and other cash based incentive plans operated by the Company.
- g) Determine, with the assistance of external advisers, whether the performance measures for any equity incentive plans, performance related pay schemes and other cash based incentive plans operated by the Company have been satisfied;
- h) determine the policy for and the scope of pension arrangements, service agreements, termination payments and compensation commitments for the Chairman, Chief Executive, Executive Directors and other senior executives;
- i) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions of the Combined Code as well as the UK Listing Authority's Rules and any associated guidance;
- j) ensure that contractual terms on termination of the Chairman, Chief Executive or an Executive Director and any payments made, are fair to the individual, and the Company, and that failure is not rewarded and that the duty of directors to mitigate loss is fully recognised;
- k) approve any amendments to the service contracts of the Chairman, Chief Executive or Executive Directors;
- l) agree the policy for authorising claims for expenses from the Chairman, Chief Executive and Executive Directors;
- m) review and retrospectively approve the remuneration paid to other senior executive management <sup>1</sup>;
- n) oversee any major changes in employee benefit structures throughout the Company or Group and review and note annually the remuneration trends across the Company;
- o) monitor the Group's Pension Plans;
- p) ensure that the provisions regarding disclosure of remuneration including pensions as listed in the Listing Rules and The Directors' Remuneration Report Regulations 2002 and any other relevant legislation are fulfilled;

- q) oversee the administration of all equity-based incentive arrangements and any other short term and long term incentive plans offered to the Chairman, Chief Executive, Executive Directors and other senior executives including consideration of significant rule changes (ahead of shareholder approval if appropriate).
- r) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any advisers to the Committee; and to obtain reliable, up-to-date information about remuneration in other companies;
- s) Determine the departure terms of any Executive Director and Senior Executive.
- t) consider and make recommendations on any other issues as requested by the Board.

<sup>1</sup> Senior executive management will be defined by the Board but is normally members and attendees of the Media and Synovate Executive Committees and certain other direct reports to Executive Directors.

## **7 Reporting Responsibilities**

7.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

7.3 The Committee shall produce, for approval by the Board, an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report which will be submitted to the Annual General Meeting for members' approval.

7.4 The Committee will maintain contact with the Company's principal shareholders through the Chairman of the Company, unless the matter relates to the remuneration of the Chairman, in which case the Committee Chairman will act as the liaison.

## **8 Other**

8.1 The Committee shall, at least once a year, 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**

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

9.2 In connection with its duties, the Committee is authorised by the Board of Directors to obtain at the Company's expense, any independent legal or other professional advice including the advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings if it considers this necessary, and to obtain reliable and up to date information about remuneration in other companies. The Committee shall have full

authority to commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfill its obligations.