

# Haynes Publishing Group P.L.C.

## Sub-Committees composition and terms of reference

Appendix 2 (a)

### REMUNERATION COMMITTEE (Members & Terms of Reference)

Members of Committee :            **N Wright (Chairman)**  
   **S Daykin**

#### TERMS OF REFERENCE

##### **1 Membership and Attendance**

- 1.1 The Committee shall comprise of at least 2 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, except that the Chairman of the Board may be an ordinary member of the Committee so as to facilitate and expedite its deliberations. Should remuneration consultants be appointed, they should be identified in the Annual Report and a statement made as to whether they have any other connection with the Company.
- 1.3 The Board should appoint the Committee Chairman and determine the period for which he/she shall hold office. The Chairman of the Company shall not be eligible to be appointed as Chairman of the Committee.
- 1.4 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence, and no member or invitee should participate in discussions in which a conflict of interest may arise.

##### **2 Secretary**

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

##### **3 Quorum**

- 3.1 The quorum necessary for the transaction of business shall be in accordance with the Articles of the Company (presently 2). 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 meet not less than once a year, and at such other times as the Chairman of the Committee shall require.

##### **5 Invitees**

- 5.1 The Chief Executive shall have the right to address any meeting of the Committee and shall be invited to attend all meetings of the Committee as a matter of course; others may be called upon or shall be able to speak by prior arrangement with the Chairman of the Committee.

##### **6 Minutes of Meetings**

- 6.1 The proceedings and resolutions of all Committee meetings, including the names of those present and in attendance shall be recorded in the minutes.
- 6.2 Minutes of Committee meetings shall be circulated to all members of the Committee as soon as practicable after the meeting.

### **7 Annual General Meeting**

- 7.1 The Chairman of the Committee shall attend the Annual General Meeting and be prepared to respond to any shareholder 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 (including pension rights and any compensation payments) of the Chief Executive, the Chairman of the Company, and the Executive Directors. The remuneration of non-executive directors shall be a matter of the executive members of the Board. No director or managers shall be involved in any decisions as to his or her own remuneration.
- 8.2 In determining such policy, the Committee shall take into account all factors which it deems necessary. 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 contributions to the success of the Company.
- 8.3 Determine targets for any performance related incentive 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 including, where appropriate, bonuses, incentive payments and share options.
- 8.5 Determine the scope and nature of service agreements for the executive director, termination payments and compensation payments, taking into account the prevailing pension arrangements. In particular the Committee shall endeavour to ensure that the contractual terms on termination and any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- 8.6 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.
- 8.7 Ensure that provisions regarding disclosure of remuneration including pensions, comply with current legislation and best practice.
- 8.8 Produce an annual report of the Committee's remuneration policy including details of the frequency of and attendance by members at Committee meetings.

### **9 Authority**

- 9.1 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, bearing in mind the need to maintain line management authority.
- 9.2 The Committee may select, set the terms of reference, and appoint remuneration consultants at the Company's reasonable expense.