

## MOSL Remuneration Committee: Terms of Reference

### 1. Responsibilities

The duties of the Committee are:

- 1.1 To provide strategic support to the Executive in relation to HR policy, in particular the remuneration and benefits policy for Senior Management (as defined below) to ensure they are provided with appropriate incentives to encourage enhanced performance and are rewarded for their individual and collective contributions to the success of the business.
- 1.2 Specifically, to **approve** the framework or broad policy for the remuneration of the executive director(s), all members of the Senior Leadership Team and the Company Secretary (“Senior Management”);
  - within the terms of the agreed policy **approve** the total individual remuneration package of members of Senior Management including bonuses recommended by the CEO after consultation with the Chairman. This shall include **approving** any KPIs to be utilised for the purposes of setting bonuses for Senior Management or business-wide;
  - by reviewing the ongoing appropriateness and relevance of the general remuneration policy across the business and reporting, where necessary, to the Board;
  - by **approving** the policy for, and scope of, pension arrangements and other employment benefits across the business; and
  - by ensuring that all provisions regarding the required disclosure of remuneration including pensions are fulfilled.
- 1.3 The remuneration of the Independent Non-Executive Directors shall be reviewed by the Committee but remains a matter for the approval of the Board.
- 1.4 The remuneration and performance review of the CEO are reserved matters for the Board.
- 1.5 The Committee shall review the framework of the Company’s Remuneration Policy, although the detail remains the remit of management.
- 1.6 Any remuneration arrangements outside of the business’s remuneration policy or usual practice, for example retention payments or payments in lieu of notice or in settlement

(subject to any legal restrictions), should, be brought to the Committee's attention prior to implementation.

- 1.7 At least once every two years, the Committee shall review its own performance and terms of reference and recommend any changes it considers necessary to the Board for approval.
- 1.8 In discharging the above responsibilities, the Committee must ensure that no director/member of Senior Management is involved in any decisions as to her/his own remuneration
- 1.9 The Committee may commission external advice, subject to the costs being approved by either (i) the CEO of MOSL or (ii) the MOSL Board.

## 2. Membership

- 2.1 Members of the Committee are appointed by the Board for a period determined by the Board. The Committee is made up of at least two members, who are Non-Executive Directors of the company.
- 2.2 With the consent of the Board, the Committee may co-opt one member who is not a member of the MOSL Board in order to broaden its relevant knowledge base.
- 2.3 The Chair of the Committee will be appointed by the Board.
- 2.4 The Chair of the Board may not be a member of the Committee.
- 2.5 If executive directors or Senior Management are involved in advising or supporting the Committee, they must advise the Committee of any conflicts of interest given their role in the business.

## 3. Meetings

- 3.1 Meetings shall normally be held at such times as the Committee deems appropriate and not less than three times a year. At least one meeting shall be held for the purpose of preparing and reviewing the directors' remuneration report<sup>1</sup>.
- 3.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with the agenda, are forwarded to each member of the Committee and any other person required to attend, no later than three working days before the date of the meeting. Supporting papers are sent to Committee members and to others as appropriate, at the same time or as soon as practicable thereafter.
- 3.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Board, the CEO, HR personnel and external advisors may be invited to attend for all or part of any meeting as and when appropriate.
- 3.4 The quorum necessary to transact business is two Board members.
- 3.5 The Company Secretary minutes the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 3.6 Minutes of Committee meetings are circulated promptly to all Committee members.

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<sup>1</sup> The Committee intends to review whether a formal Directors' Remuneration Report shall be published, as part of the Annual Report and Accounts, for the year ending 31 March 2021

#### 4. Reporting

- 4.1 The Committee Chair will report back to the MOSL Board on its proceedings after each meeting.
- 4.2 The Committee makes whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 4.3 The Committee will feed in to the MOSL annual report in relation to the business' remuneration policy and practices.

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