

# MOSS BROS.

GROUP PLC

## REMUNERATION COMMITTEE TERMS OF REFERENCE

**These Terms of Reference replace the previous terms of reference and were approved and adopted by the Board on 25<sup>th</sup> November 2015.**

### **1. Constitution**

The Board hereby resolves to establish a committee of the Board to be known as the Remuneration Committee.

### **2. Membership**

The Committee shall be appointed by the Board and must comprise of at least two independent non-executive directors of the Company. A quorum shall be two independent non-executive directors (“the Members”).

The Chairman of the Committee shall be appointed by the Board, and the Company Secretary or their nominee shall be Secretary of the Committee. In addition the company chairman may also be a member of, but not chair, the committee if he or she was considered independent on appointment as chairman.

### **3. Attendance at Meetings**

The Members shall normally attend meetings. Other Board members shall also have the right of attendance if invited to attend by the Chairman of the Remuneration Committee.

### **4. Frequency of Meetings**

Meetings shall be held not less than twice a year. However, a member of the Board or Committee may request a meeting if they consider one is necessary.

### **5. Authority**

The Committee is authorised by the Board under the Articles of Association of the Company to investigate any activity within its terms of reference. It is authorised to seek any information, which it requires from any employee and all employees are directly to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise when this is considered necessary.

### **6. Reporting Procedures**

The Committee Chairman shall report to the Board on its proceedings after each

meeting on matters within its duties and responsibilities.

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

The Committee shall make a statement in the annual report about its activities, the process used to make appointments.

## **7. Duties**

The duties of the Committee shall be:

- (a) to develop a policy on the remuneration of full-time Board members and senior management of Moss Bros Group plc (including pension arrangements) and to approve remuneration packages for the fulltime Board members. The remuneration of non-executive directors shall be a matter for the Chairman and Executive members of the Board;
- (b) to monitor the salaries and terms and conditions (including pension and compensation rights) of employment of the full-time Board members of Moss Bros Group plc in order to ensure that the Company remains sensibly competitive in this field and where necessary to use external bench marking;
- (c) to ensure the policy provides the executive management team with appropriate incentives to encourage enhanced performance and are rewarded for their individual contributions to the success of the Company;
- (d) to authorise all changes in salary and terms and conditions of employment of the full time Board members of Moss Bros Group plc;
- (e) to determine the policy for the scope of any termination payments and severance terms for full-time Board members and to consider the advantages of providing explicitly in the initial contract for compensation in the event of early termination, except in the case of removal for misconduct;
- (f) to determine the participation of the full-time Board members and executive management of Moss Bros Group plc in any discretionary employee share or other incentive schemes operated by Moss Bros Group plc;
- (g) to determine targets for any company-wide performance-related payments for full-time Board members and executive management of Moss Bros Group plc and individual incentives for full-time Board members and executive management of Moss Bros Group plc including, without limitation;
- (h) the setting and monitoring of any performance conditions subject to which any options may be granted under any executive share option schemes adopted by Moss Bros Group plc;
- (i) the setting and monitoring of any bonus scheme performance conditions. The performance-related elements of remuneration should form a significant proportion of the total remuneration package of full-time Board members;
- (j) to determine the provision of benefits and settlement of other provisions under the terms of the service agreements or otherwise of full-time Board

members where these are stated as being at the discretion of the Board;

- (k) to consult the Chief Executive Officer about remuneration proposals;
- (l) to advise generally the Board of Moss Bros Group plc about the broad framework of remuneration and its costs taking into account recommendations made in the Combined Code.

## **8. Other Matters**

The Committee should on a regular basis, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and ensure that its members receive adequate and appropriate training on matters relating to its terms of reference as necessary.