



# Remuneration Committee

## Terms of Reference

### 1. Membership

- 1.1 The committee shall comprise at least three members. At least two independent non-executive directors, which may include the chairman of the board if he or she was considered independent on appointment, must be members of the committee. Executives of The British Standards Institution may not be members of the committee. The chairman of the board may not chair the committee. Members of the committee shall be appointed by the board.
- 1.2 Only members of the committee have the right to attend committee meetings; however, any non-executive director of the Company may attend a meeting as an observer. Other individuals such as the chief executive, chief people officer, chief financial officer, reward and performance director and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the committee are made by the board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the committee.
- 1.4 The board shall appoint the committee chair who shall be an independent non-executive director. In the absence of the committee chair and/or an appointed



- 3.2 A person communicating by electronic means shall be deemed to be personally present at a meeting of the committee while that person is able to communicate interactively and simultaneously with all other parties attending the meeting (including others attending by electronic means).

#### 4. Meetings

The committee shall meet at least twice a year and otherwise as required.

#### 5. Notice of meetings

- 5.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chair.
- 5.2 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, any other person required to attend and all other non-executive directors, no later than two working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time.

#### 6. Minutes of meetings

- 6.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so.

#### 7. Annual general meeting

The committee chair should attend the annual general meeting to answer any member questions on the committee's activities.

#### 8. Duties

The committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

The committee shall

- 8.1 determine the framework or broad policy for the remuneration of the secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the chairman and the executive members of the board. No director or manager shall be involved in any decisions as to their own remuneration



- 8.2 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. 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 when setting remuneration policy for directors, review and have regard to the remuneration trends across the company and group (and, for this purpose, the committee shall be provided with details of remuneration strategy and overall remuneration levels across the group)
- 8.4 review the ongoing appropriateness and relevance of the remuneration policy



8.12 oversee any major changes in employee benefits structures throughout the company or group

8.13 agree the policy for authorising claims for expenses from the directors.

## 9. Reporting responsibilities

9.1 The committee chair shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

9.3 The committee shall produce a report of the company's remuneration policy and practices to be included in the company's annual report.

## 10. Other matters

The committee shall

10.1 have access to sufficient information to enable it to discharge its duties. 10.1