

**MERIT GROUP PLC**  
**[Formerly DODS GROUP PLC]**  
**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**APPROVED BY THE BOARD ON 28<sup>th</sup> JULY 2020**

**Constitution**

The Committee was constituted at a meeting of the Board held on 28<sup>th</sup> July 2020 in accordance with the Articles of Association of the Company.

**1. Membership**

**1.1** The Committee shall comprise of at least two Non-Executive Directors. Members of the Committee shall be appointed by the Board in consultation with the Chair of the Remuneration Committee.

**1.2** Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

**1.3** Appointments to the Committee shall be subject to the provisions of the Companies Acts and of the Company's Articles of Association.

**1.4** The Board shall appoint the Committee Chair who shall be a Non-Executive Director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these Terms of Reference to be appointed to that position by the Board.

**1.5** The Committee can assign sub committees for expediency and execution of activities and duties related to the Committee.

**2. Secretary**

The Committee will appoint a Secretary to the Committee.

**3. Quorum**

The quorum necessary for the transaction of business shall be two Committee 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. Frequency of meetings**

The Committee shall meet at least once a year or more often if required. These terms of reference will be reviewed and approved by the Board annually.

**5. Notice of meetings**

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 no later than five 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 members of the Board, unless it would be inappropriate to do so.

## **7. Duties**

**7.1** The Committee shall as appropriate:

**7.1.1** Determine and agree with the Board the framework or broad policy for the remuneration of the Executive Directors, the Company Secretary, the Non-Executive Directors (including the Company Chair) and such other members of the executive management of the Company and its subsidiaries to whom the Board has extended the remit of the Committee. No Director, officer or manager shall be involved in any decisions as to his or her own remuneration and needs to be in line with the company's articles of association;

**7.1.2** when setting the remuneration policy for Directors, review and have regard to the remuneration trends and employment conditions across the Group especially when determining annual salary increases;

**7.1.3** Review the ongoing appropriateness and relevance of the remuneration policy;

**7.1.4** Approve the design of, and determine targets for, any performance-related pay schemes operated by the Group;

**7.1.5** Review the design of all share incentive plans for approval by the Board and shareholders;

**7.1.6** Determine and recommend to the Board the policy for, and scope of, pension arrangements for each Executive Director and other designated senior executives.

## **8. Reporting responsibilities**

**8.1** The Committee Chair shall report to the Board on its proceedings.

**8.2** The Committee shall review and approve a report of the Company's remuneration policy and practices to be included in the Company's annual report as required.

## **9. Other matters**

The Committee shall:

**9.1** have access to sufficient resources (internal and external) in order to carry out its duties;

**9.2** give due consideration to laws, regulations and reporting requirements; and

**9.3** arrange for periodic reviews of its own performance, at least annually. Performance will be reviewed by the Committee's Chair who will report to the Board.

## **10. Authority**

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference.