

Principle 2 – Remunerate Fairly and Responsibly

BEST PRACTICE RECOMMENDATIONS

1. The Level and Make-up of Remuneration

- 1.1 The performance-related elements of remuneration is designed to align the interests of Executive Directors with those of shareholders and link rewards to corporate and individual performance. There are appropriate and meaningful measures for the purpose of assessing the Executive Director's performance;
- 1.2 No Director or manager is involved in any decisions as to their own remuneration;
- 1.3 The Chairman of the Board ensures that the Company maintains contact as required with its principal shareholders about remuneration in the same way as for other matters.

2. Remuneration Procedure

2.1 Establishment of the Nominating & Remuneration Committee

- The Board has established a [Nominating & Remuneration Committee](#) ("[NRC](#)") of at least three (03) members, the majority of whom are Non-Executive Directors and which shall be chaired by an Independent director.
- The [NRC](#) has a Charter/Terms of Reference, explaining its role, responsibilities, composition, structure and the authority delegated to it by the Board.
- The [NRC](#) recommends and monitors the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose is determined by the Board but normally includes the first layer of management below Board level.
- The [NRC](#) ensures that the Board, management and the [NRC](#) are provided with sufficient information to ensure informed decision-making.
- The [NRC](#) consults the Chairman and/or Chief Executive about their proposals relating to the remuneration of executive directors.
- The [NRC](#) is also responsible for appointing any consultants in respect of executive Directors remuneration. Where remuneration consultants are appointed, a statement is made available of whether they have any other connection with the Company. Where executive Directors or senior management are involved in advising or supporting the NRC, care is taken to recognise and avoid conflicts of interest.
- The [NRC](#) meets often enough to undertake its role effectively and keeps records of the minutes of its meetings.

2.2 Remuneration of Non-Executive Directors

- The remuneration of non-executive Directors is a matter for the Chairman and executive members of the Board. As such the Board itself determines the remuneration of the Non-Executive Directors. As permitted by the Articles, the Board may however delegate this responsibility to the NRC, which might include the Chief Executive;

- The remuneration for Non-Executive Directors reflect the time commitment and responsibilities of the role and be appropriate to the level of contribution. Care is taken to ensure Non-Executive Directors are not over compensated to the extent that their independence is compromised;