

# Jardine Lloyd Thompson Group plc

## BOARD PROCEDURES & DELEGATED AUTHORITIES

(Updated July 2009)

### 10. Remuneration Committee

***References to 'the Committee' shall mean the Remuneration Committee  
References to 'the Board' shall mean the Board of Directors***

#### 10.1 Membership

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee. All members of the Committee shall be non-executive directors, a majority of whom shall be independent non-executive directors. There shall be at least three independent non-executive directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals, such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further three-year periods.
- 1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.
- 1.5 The members at July 2009 are J G H Paynter (Chairman), S L Keswick, Lord Leach and N R MacAndrew.

#### 10.2 Secretary

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

#### 10.3 Quorum

- 3.1 The quorum necessary for the transaction of business shall be two. 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.

#### 10.4 Meetings

- 4.1 The Committee shall meet at least three times per year and at such other times as the Chairman of the Committee shall require.

#### 10.5 Notice of Meetings

- 5.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 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 three working days before the date of the meeting.

Unless this is impractical, supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **10.6 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 Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

#### **10.7 Annual General Meeting**

- 7.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

#### **10.8 Duties**

The Committee shall:

- 8.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the executive directors and other members of the Group Executive Committee ('the GEC'). 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 reliable, up-to-date information about remuneration in other relevant companies and the trends in remuneration levels and policy across the Company. The objective of such policy shall be to ensure that executive directors and other members of the GEC are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions and to the success of the Company;
- 8.3 review the ongoing appropriateness and relevance of the remuneration policy;
- 8.4 approve the design of, and determine targets and vesting schedules for, any annual bonus plans for the executive directors and other members of the GEC;
- 8.5 review the design of remuneration schemes for the senior management of JLT's principal business units, including all share incentive plans for approval by the Board and shareholders. For any such schemes and plans, determine whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive directors and other members of the GEC and the performance targets to be used;
- 8.6 ensure that contractual terms of termination, and any payments made, are fair to the individual and the Company and that failure is not rewarded;
- 8.7 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of each executive director and other members of the GEC, including bonuses, long-term incentive payments or other share awards, benefits, pension, and the terms of any compensation payable for loss of office or employment;
- 8.8 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Combined Code and the UK Listing Authority's Listing Rules and associated guidance;
- 8.9 review and note annually the remuneration trends across the Company or group;
- 8.10 oversee any major changes in employee benefits structures throughout the Company or group;

- 8.11 be informed of and be consulted by the Chief Executive on any significant proposals relating to remuneration for executives below the GEC level, including significant new hirings;
- 8.12 ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code are fulfilled; and
- 8.13 be exclusively responsible for establishing the selection criteria; selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

#### **10.9 Reporting Responsibilities**

- 9.1 The Committee Chairman shall report formally 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 an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the AGM.

#### **10.10 Other**

- 10.1 The Committee shall, at least once per year, review its own performance, constitution and terms of references to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### **10.11 Authority**

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 In connection with its duties, the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice.