

# **Independent News & Media PLC**

## **Remuneration Committee**

### **Terms of Reference**

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#### **Purpose**

The Remuneration Committee shall assist the Company's Board of Directors in fulfilling its responsibilities to the Company and its shareholders by determining and agreeing with the Board the framework or broad policy for the remuneration of the company's Chief Executive, Chairman of the Board, Executive Directors, and such other members of the Executive management as it is designated to consider, and with respect to compensation matters generally:

- ❑ by ensuring that the Chief Executive and Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance;
- ❑ by demonstrating to all stakeholders that the remuneration of the Chief Executive and Executive Directors is determined by a Committee of Board members who have no personal interest in the outcome of their decisions.

#### **Functions**

The Committee's functions shall include:

- ❑ determining in its absolute discretion the remuneration of the Chief Executive and the Chairman of the Board;
- ❑ determining in consultation with the Chief Executive the remuneration of the other Executive Directors;
- ❑ satisfying itself that remuneration is competitive in the market so as to attract and retain key personnel;
- ❑ monitoring a suitable performance-related formula including profit-sharing schemes;
- ❑ reviewing and recommending to the Board policies and guidelines for the remuneration of the Company's Chief Executive and Executive Directors;

- ❑ advising on the Company's share option schemes and determining eligibility to participate, the granting of awards and the allotment of shares pursuant to awards;
- ❑ determining, within the terms of the agreed policy and in consultation with the Chairman of the Board and/or Chief Executive as appropriate, the total individual remuneration package of each executive director and other senior executives;
  
- ❑ considering such other matters and taking such other actions relating to remuneration as the Board may delegate to the Committee from time to time.

### **Membership**

The Board shall appoint the members of the Committee and shall designate one of the members to serve as Chairman. Committee members shall serve for such period as the Board may in its discretion determine and until their successors are duly appointed.

The Committee shall normally have three members and shall consist exclusively of non-executive directors who are independent of management and free from any business or other relationship which could materially interfere with their independent judgement. The members of the Committee shall be listed each year in the Company's annual report and accounts.

### **Meetings and Procedures**

The quorum necessary for the transaction of business shall be two. The Committee shall meet as often as the members determine but at least twice during each fiscal year of the Company. The members of the Committee shall establish such procedures for the calling and holding of meetings as they determine to be necessary and appropriate. The Committee shall give to the Board a report on its work at least once in each fiscal year and more frequently if necessary.

The Committee shall consult with the Chief Executive regarding remuneration policy in general and shall at its absolute discretion be free to obtain such independent legal or other professional advice, and to seek views of such third parties with relevant experience and expertise, as it may consider appropriate.

Only members of the Committee have the right to attend Committee meetings. The Committee may invite other individuals to attend all or part of any meeting as and when appropriate.

Minutes of meetings shall be maintained and shall be circulated to all members of the Committee and to all members of the Board where appropriate.

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

#### **Non-Executive Directors**

The remuneration of non-executive directors shall be a matter for the Chairman of the Board and the executive members of the board.

#### **Secretary**

The Company Secretary or his/her nominee shall act as Secretary of the Committee.