

ANT plc

Terms of Reference for the Remuneration Committee

1. Constitution

IT WAS RESOLVED (pursuant to the powers of the Board under the Articles of Association of the Company, as set out in Article 133) that a Committee of the Board be and is hereby established and that it is known as the Remuneration Committee.

2. Membership

2.1 The Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not less than three members. If there are less than three Non-Executive Directors of the Company at any time, an Executive Director may be appointed to the Committee. The members should be independent of management and free of any business or other relationship (including, without limitation, cross-directorships or day-to-day involvement in the running of the business) which could interfere with the exercise of their independent judgement. The first members of the Committee shall be Simon Woodward, Anthony Caplin and David Kynaston. A quorum shall be two members (or as governed by the Company's Articles of Association from time to time but not less than two).

2.2 The Chairman of the Committee shall be appointed by the Board and in the first instance shall be David Kynaston.

2.3 The members of the Committee shall be re-elected each year by the Board and a member of the Committee can be removed by the Board at any time subject to the requirement that the number of the Committee members does not fall below three at any time.

2.4 Each member shall devote extra time to his work as a member of the Committee, in addition to carrying out his duties as a Director of the Company and as a member of any other committees of the Board.

3. Attendance at meetings

3.1 The Company Secretary shall be the Secretary of the Committee.

3.2 Other Board members shall also have the right to attend meetings but no Director may be present when his or her own remuneration is being discussed.

3.3 The Group Chief Executive shall be invited to attend meetings to discuss the performance of executive directors and make proposals as necessary.

3.4 The Group Chief Executive will also report to the Committee on significant group-wide changes in salary structure and terms and conditions affecting other officers at senior executive level.

4. **Frequency of meetings**

- 4.1 Meetings shall be held not less than twice a year.
- 4.2 A meeting may also be requested at any time by the Chairman of the Board, by any member of the Committee who considers that one is necessary and by any member of the Board if approval is given by the Chairman of the Board.

5. **Authority**

- 5.1 The Committee is authorised by the Board to determine on their behalf and on behalf of the shareholders the Company's policy on the remuneration and terms and conditions of service of the executive directors and employees, for formulating the remuneration policy of the Company and its subsidiaries (together, the "**Group**"), including pension rights and any compensation rights, for making awards under the Company's discretionary bonus schemes and for granting share options under the Company's share option schemes.
- 5.2 The Committee is authorised by the Board, at the expense of the Company, to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, and to arrange for the auditing of any information provided to the shareholders.
- 5.3 The Committee is authorised by the Board to investigate any activity within its terms of reference. It is also authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Committee.

6. **Duties**

The duties of the Committee shall be (having due regard to the views of the Company's Nominated Adviser, market comparisons, published guidelines and recommendations regarding the remuneration of directors of a company whose shares are admitted to trading on a relevant stock exchange) to:

- (a) ensure remuneration packages offered are competitive and are sufficient to attract, retain and motivate directors and employees of the quality required but to avoid paying more than is necessary for this purpose;
- (b) be aware what comparable companies are paying and to take account of relative performance;
- (c) be sensitive to the wider scene, including pay and employment conditions elsewhere in the group, especially when determining annual salary increases;
- (d) ensure that performance-related elements of remuneration are designed to align the interests of directors, employees and shareholders and to give directors and employees keen incentives to perform at the highest levels;

- (e) ensure that the remuneration of executive directors and other senior executives of the Company and other companies within the Group directly reflect their responsibilities and contain adequate incentives to deliver the Group's performance objectives;
- (f) consider whether the directors should be eligible for annual bonuses. If so, performance conditions should be relevant, challenging and designed to enhance the business. Upper limits should always be considered. There may be a case for part-payment in shares to be held for a significant period;
- (g) consider whether the directors should be eligible for benefits under long-term incentive schemes. Traditional share option schemes should be weighed against other kinds of long-term incentive scheme. In normal circumstances, shares granted or other forms of deferred remuneration should not vest, and options should not be exercisable, in under three years. Directors should be encouraged to hold their shares for a further period after vesting or exercise subject to the need to finance any costs of acquisition and associated tax liability;
- (h) consider any new long-term incentive schemes which are proposed and refer them to shareholders. These should preferably replace existing schemes or at least form part of a well-considered overall plan, incorporating existing schemes. The total rewards potentially available should not be excessive;
- (i) ensure payouts or grants under all incentive schemes, including new grants under existing share option schemes, are subject to challenging performance criteria reflecting the Company's performance relative to a group of comparator companies in some key variables such as total shareholder return;
- (j) ensure grants under executive share option and other long-term incentive schemes are phased rather than awarded in one large block;
- (k) consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration, especially for directors close to retirement;
- (l) in general ensure that neither annual bonuses nor benefits in kind are pensionable;
- (m) consider what compensation commitments (including pension contributions) the directors' contracts of service, if any, would entail in the event of early termination, particularly for unsatisfactory performance;
- (n) consider setting notice or contract periods at, or reducing them to, one year or less but being sensitive and flexible, especially over timing. In some cases notice of contract periods of up to two years may be acceptable. Longer periods should be avoided wherever possible;
- (o) within the legal constraints tailor their approach in individual early termination cases to the wide variety of circumstances. The broad aim should be to avoid

rewarding poor performance while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing directors' obligations to mitigate damages;

- (p) where appropriate, and in particular where notice or contract periods exceed one year, to consider paying all or part of compensation in instalments rather than one lump sum and reducing or stopping payment when the former director takes on new employment;
- (q) follow best practice in relation to the Principles of Good Governance and Code of Best Practice as set out in the Listing Rules of the UK Listing Authority (the "**Combined Code**") and pay due regard to other best corporate governance practice from time to time, so far as it is appropriate having regard to the size of the Company and the Group;
- (r) enter into any contract of employment or related contract on behalf of the Company with executive directors;
- (s) determine the terms of any compensation package in the event of early termination of contracts of any executive director;
- (t) perform the same functions in respect of other senior executives, where appropriate or requested to do so by the Board;
- (u) examine each proposal which the Board may make for the appointment of an executive Director of the Company and report to the Board on such proposal, on the basis that no such appointment should be made unless the Committee has first so reported;
- (v) make recommendations to the Board regarding the content of the Board's annual report to the Company's shareholders, setting out the Company's policy on executive directors' remuneration, details of individual remuneration and other terms and conditions;
- (w) make recommendations to the Board on an annual basis as to whether the circumstances are such that shareholders should be invited to approve the policy set out in the Board's remuneration report at the Company's AGM and ensure that the Chairman of the Committee attends the AGM to answer any questions relating to matters for which the Committee is responsible; and
- (x) consider any other matters relating to the remuneration of or terms of employment applicable to the executive Directors (and such senior executives) as are referred to it by the Board or the Chairman of the Board (including the nature and extent of disclosure of remuneration in addition to that required by law and the Rules of Alternative Investment Market of the London Stock Exchange) and to have regard in the performance of duties set out in this paragraph to any published guidelines or recommendations regarding the operation of share option schemes (and in particular any guidelines published by the Investment Committees of the ABI and NAPF).

6. **Reporting procedures**

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

7. **Exclusions**

The terms of reference of the Committee do not encompass decisions to employ or dismiss Directors. The Committee shall not have responsibilities for nominations to the Board. The Board as a whole shall determine the remuneration of the non-executive Directors.

8. **Miscellaneous**

Subject as provided in this resolution and to the Articles of Association of the Company, the Committee shall determine its own procedures.