

DATED 13 AUGUST 2014

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ATLAS MARA LIMITED  
REMUNERATION COMMITTEE TERMS OF REFERENCE

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## **ATLAS MARA LIMITED**

### **(THE "COMPANY")**

**Approved by the board on 13 August 2014**

#### **1. OVERVIEW**

The remuneration committee is a Board (defined below) committee, to which is delegated the responsibility of advising the Board on developing an overall remuneration policy that is aligned with the business strategy and objectives, risk appetite, values and long term interests of the Company, recognising the interests of all stakeholders.

#### **2. MEMBERSHIP**

2.1 The committee shall comprise a minimum of three members and at least two of such members shall be independent non-executive directors. The chairman of the Board may also serve on the committee as an additional member if he or she was considered independent on appointment as chairman. Members of the committee shall be appointed by the board of the Company (the "**Board**"), on the recommendation of the nomination committee and in consultation with the chairman of the remuneration committee.

2.2 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, other members of the Board and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

2.3 Appointments to the committee are made by the Board and shall be for a period of up to three years extendable by no more than two additional three year periods, so long as at least two of the committee members continue to be independent.

2.4 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 who would qualify under these terms of reference to be appointed to that position by the Board. The chairman of the Board shall not be chairman of the committee.

2.5 The chairman and the members of the remuneration committee should be identified in the Company's annual report.

#### **3. SECRETARY**

The Company secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

#### **4. QUORUM**

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

4.2 Where deemed appropriate by the committee chairman, meetings of the committee may be held telephonically or any other means whereby the participants are able to communicate effectively with each other.

## 5. **FREQUENCY OF MEETINGS**

The committee shall meet at least twice a year and otherwise as required and at such other times as the chairman of the committee shall determine.

## 6. **NOTICE OF MEETINGS**

6.1 Meetings of the committee shall be called by the secretary of the committee at the request of the committee chairman.

6.2 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 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.

## 7. **MINUTES OF MEETINGS**

7.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

7.2 Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the committee chairman it would be inappropriate to do so.

## 8. **ANNUAL GENERAL MEETING**

The committee chairman should attend the annual general meeting to answer any shareholder questions on the committee's activities.

## 9. **DUTIES**

9.1 The committee should carry out the duties detailed below for the Company and its subsidiaries from time to time (together, the "**Group**") and major subsidiary undertakings, as appropriate.

9.2 The committee shall:

9.2.1 have responsibility for setting the remuneration policy for all executive directors and the Company's chairman, including pension rights and any compensation payments. The Board itself or, where required by the articles of association, the shareholders should determine the remuneration of the non-executive directors within the limits set in the articles of association. Where permitted by the articles of association, the Board may delegate its responsibility to set the remuneration of the non-executive directors to a small sub-committee, which might include the chief executive officer of the Company. No director or senior manager shall be involved in any decisions as to their own remuneration;

9.2.2 recommend and monitor the level and structure of remuneration for senior management;

9.2.3 in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code (the "**Code**") and associated guidance. The objective of such policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to the views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's long strategic term goals. A significant proportion of remuneration should be structured so as to

- link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- 9.2.4 when setting the remuneration policy for directors, review and have regard to the level of pay including bonuses, benefits and employment conditions of employees across the Company or Group, particularly when determining the directors' annual salary increases;
  - 9.2.5 review the on-going appropriateness and relevance of the remuneration policy;
  - 9.2.6 within the terms of the agreed policy and in consultation with the chairman and/or chief executive officer, as appropriate, determine the total individual remuneration package of each executive director, the chairman and other designated senior executives including bonuses, incentive payments and share options or other share awards;
  - 9.2.7 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the Code and associated guidance, as well as any relevant requirements in the jurisdictions in which the Company operates;
  - 9.2.8 obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board;
  - 9.2.9 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee;
  - 9.2.10 approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes taking into account the Board's overall assessment of the Group's annual performance. The committee will seek input from the chief financial officer to confirm that any variable pay takes account of the cost and quality of capital, the liquidity required and will also seek confirmation from the chief financial officer that the calculations of the variable remuneration elements are based on appropriate measures of profit;
  - 9.2.11 review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to the executive directors, the Company secretary and other designated senior executives and the performance targets to be used;
  - 9.2.12 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
  - 9.2.13 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
  - 9.2.14 review and note annually the remuneration trends across the Group;
  - 9.2.15 oversee any major changes in employee benefits structures throughout the Company or Group;
  - 9.2.16 agree the policy for authorising claims for expenses from the directors;

9.2.17 ensure that all provisions regarding disclosure of remuneration, including pensions are fulfilled; and

9.2.18 work and liaise as necessary with all other Board committees.

## 10. **REPORTING RESPONSIBILITIES**

10.1 The committee chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The committee shall ensure that the Company's annual report should contain a statement of the remuneration policy and details of remuneration of the Board as a whole. Remuneration should include bonus payments and share option schemes and will be put to shareholders for approval each year at the Company's annual general meeting.<sup>1</sup> If the committee has appointed remuneration consultants, the annual report of the Company's remuneration policy should identify such consultants and state whether they have any other connection with the Company.

10.4 Through the chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

## 11. **OTHER MATTERS**

11.1 The committee shall:

11.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;

11.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members; and

11.1.3 give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non-listed companies and formation and operation of share schemes including but not limited to the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules, as appropriate.

## 12. **AUTHORITY**

12.1 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.

12.2 The committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties and to request the attendance of any employee at a meeting of the committee as and when required.

12.3 The committee is authorised to perform each of the specific duties and undertake each of the reporting responsibilities contained in these terms of reference and has the power to delegate authority to any sub-committees or individuals, as it deems appropriate.

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<sup>1</sup> The value of share options should be the difference between the market price and exercise price on the day such option is exercised.

13. **AMENDMENTS TO THE TERMS OF REFERENCE**

The committee shall review its terms of reference on an annual basis to ensure that it is operating with maximum effectiveness any may recommend any changes it considers necessary to the Board for approval.