



**DCC plc**

**Terms Of Reference**

**for the Remuneration Committee**

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## Terms of Reference for the Remuneration Committee

### **1. Constitution and Authority**

- 1.1 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.
- 1.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice.
- 1.3 The Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### **2 Membership**

- 2.1 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.
- 2.2 The Chairman of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee.
- 2.3 The Committee shall comprise at least three independent non-executive Directors of the Company.
- 2.4 A quorum shall be two members.
- 2.5 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the Director remains independent.

### **3. Meetings**

- 3.1 The Committee shall meet at least twice a year.
- 3.2 Only members of the Committee have the right to attend Committee meetings. The Chief Executive will normally attend meetings to discuss proposals relating to the remuneration of other executive Directors and senior management.
- 3.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee.

#### **4. Duties**

The duties of the Committee are as follows:

- 4.1 to determine and agree with the Board the framework or broad policy for the remuneration of the Chairman, Chief Executive, other executive Directors and senior management, as determined by the Committee, and in this regard the Committee shall give full consideration to the principles and provisions of the Combined Code on Corporate Governance and to Schedule A of that Code;
- 4.2 to determine the remuneration packages of the Chairman, Chief Executive, other executive Directors and senior management, including salary, bonuses, pension rights and compensation payments. The Committee shall consult the Chief Executive about proposals relating to the remuneration of the other executive Directors and senior management;
- 4.3 to nominate executives for inclusion in the Company's long term incentive schemes, the grant of options or awards under these schemes, to determine whether the criteria the vesting of options or awards have been met and to make any necessary amendments to the rules of these schemes;
- 4.4 to ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company;
- 4.5 to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

#### **5. Other Matters**

- 5.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 5.2 The Committee shall approve the report of the Company's remuneration policy and practices to be included in the Company's Annual Report. The Committee shall ensure that disclosure of remuneration, including pensions, is clear and transparent.
- 5.3 The Chairman of the Committee shall attend the Annual General Meeting to answer questions on the Committee's activities.