

**GLOBAL PORTS HOLDING PLC**

**REMUNERATION COMMITTEE TERMS OF REFERENCE**

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## REMUNERATION COMMITTEE TERMS OF REFERENCE

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#### **Remuneration Committee Terms of Reference**

These terms of reference identify and formalise the roles, tasks and responsibilities of the remuneration committee of Global Ports Holding PLC ("GPH PLC" or the "Company"), Global Ports Holding A.S. ("GPH AS") and their respective affiliates (unless stated otherwise, "Group" or "GPH" covers GPH PLC, GPH AS and all of their respective affiliates (subsidiaries, jointly controlled entities and associates) and the authority delegated to the committee by the board of directors of the Company (the "Board") to monitor the remuneration of the Company's executive directors and the remuneration framework for the Company's senior management and employees.

#### **1. Membership**

- 1.1 The committee shall be appointed by the Board, on the recommendation of the nomination committee in consultation with the chairman of the remuneration committee, and shall consist of a minimum of three members, at least two of whom shall be independent non-executive directors. The chairman of the Board may also serve on the committee as an additional member if he/she was considered independent on appointment as chairman.
- 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 and necessary.
- 1.3 Appointments to the committee shall be for a period of up to three years, which may be extended for further periods of up to three years, so long as members (other than the chairman of the Board, if he or she is a member of the committee) continue to be independent.
- 1.4 The Board shall appoint the chairman of the committee who shall be an independent non-executive director. The chairman of the Board shall not be chairman of the committee. In the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the board.
- 1.5 If a regular member is unable to act due to absence, illness or any other cause, the chairman of the committee may appoint another independent non-executive director of the Company to serve as an alternate member.

#### **2. 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.

#### **3. Quorum**

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. Frequency of meetings**

The committee shall meet not less than twice a year and otherwise as the Board or the chairman of the committee shall require.

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#### **5. Notice of meetings**

- 5.1 Meetings of the committee shall be summoned by the secretary of the committee at the request of the chairman of the committee.
- 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 not less than five working days prior to the date of the meeting. Supporting papers shall be sent to members of the committee, and to other attendees as appropriate, at the same time, but committee papers may be forwarded at shorter notice with the approval of the committee chairman.

#### **6. Minutes of meetings**

- 6.1 The secretary of the committee shall prepare minutes of the proceedings and resolutions of all committee meetings, including recording the names of those present and in attendance.
- 6.2 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 it would be inappropriate to do so.

#### **7. Annual general meeting**

The chairman of the committee shall attend the annual general meeting and shall be prepared to respond to any questions from shareholders concerning the committee's activities.

#### **8. Duties**

- 8.1 The committee shall:
- (a) have responsibility for setting the remuneration policy for all executive directors and the Company's chairman, as well as all Group employees of C Level or higher, 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. No director or senior manager shall be involved in any decisions as to their own remuneration;
  - (b) recommend, monitor (and, if necessary, veto) the level and structure of remuneration for all Group employees, including senior management;
  - (c) 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 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 views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company, alignment to the Company's long strategic term goals and the Human Resources Policy of the Group approved by the Board from time to time. 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;

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- (d) when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company or the Group, especially when determining annual salary increases;
  - (e) review the ongoing appropriateness and relevance of the remuneration policy;
  - (f) 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 executive directors, Company secretary and other designated senior executives and the performance targets to be used;
  - (g) 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 (in accordance with the provisions in Schedule A of the UK Corporate Governance Code);
  - (h) determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
  - (i) 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 (where any termination payment is proposed to be made which is inconsistent with the policy, this must be explicitly approved by the committee);
  - (j) 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 the chairman, each executive director, Company secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards;
  - (k) recommend, monitor (and, if necessary, veto) any major changes in employee benefits structures throughout the Company or the Group;
  - (l) agree the policy for authorising claims for expenses from the directors;
  - (m) obtain reliable, up-to-date information about remuneration in other companies. 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, within any budgetary restraints imposed by the Board;
  - (n) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee. Where any such consultants are appointed, the committee shall make available a statement of whether the relevant consultant has any other connection with the Company; and
  - (o) work and liaise as necessary with all other Board committees.
- 8.2 The committee shall carry out the duties in 8.1 above for the parent company, major subsidiary undertakings and the Group as a whole, as appropriate.

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#### **9. Reporting responsibilities**

- 9.1 The chairman of the committee shall report 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 ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code, are fulfilled.
- 9.4 The committee shall prepare a report for shareholders to be included in the Company's annual report, which shall include:
- (a) a statement from the committee chairman providing a summary of the Company's remuneration policy and the annual report on remuneration; and
  - (b) a report of the Company's remuneration policy and practices and the committee shall ensure that it is put to shareholders for approval at each annual general meeting.
- 9.5 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.
- 9.6 Through the chairman of the Board, ensure that the Company maintains contact as required with its principal shareholders about remuneration.

#### **10. Other matters**

The committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 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 UK Corporate Governance Code, the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules, Disclosure Guidelines and Transparency Rules as well as guidelines published by the Investment Association and the National Association of Pension Funds and any other applicable rules, as appropriate;
- 10.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.5 make available its terms of reference explaining clearly its role and the authority delegated to it by the Board.

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#### **11. Authority**

- 11.1 The committee is authorised by the Board to seek any information it requires from any employee of the Company (including the Company's executives) in order to perform its duties, provided their role in providing such advice and assistance is clearly separated from their role within the business.
- 11.2 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.
- 11.3 The committee may sub-delegate any or all of its powers and authority and may establish sub-committees which are to report back to the committee.