

**COHORT PLC
REMUNERATION & APPOINTMENTS COMMITTEE
TERMS OF REFERENCE**

Revised 28 January 2019

Constitution

1. The Board of Cohort plc (the “Company”) has established a committee of the Board to be known as the Remuneration & Appointments Committee (the “Committee”).

Membership

2. The Committee shall be appointed by the Board of the Company from amongst the Non-Executive Directors. The Committee shall consist of not less than two members. A quorum shall be two members.
3. The Chairman of the Committee shall be a member determined by the Company but should not be the Chairman of the Board. The current members of the Committee are Stanley Carter, Nick Prest, Jeff Perrin and Sir Robert Walmsley, with the last acting as Chairman of the Committee.
4. The Chief Executive, Executive Directors, Deputy Company Secretary and other Senior Managers may be invited to attend meetings of the Committee by the Chairman of the Committee. External advisors may be invited to attend when appropriate.

Committee Secretary

5. The Deputy Company Secretary or other nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner. The Secretary of the Committee will write formal minutes recording the proceedings and decisions of the Committee. These will be circulated to all Board members, unless a conflict of interest exists.

Frequency and Notice of Meetings

6. The Committee will hold a minimum of two meetings each year.
7. Meetings shall be summoned by the Secretary of the Committee at the request of any of its members.
8. Unless otherwise agreed, notice of each meeting together with an agenda, shall be forwarded to each member of the Committee, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to any other attendees at the same time.
9. No meeting may be convened unless all members of the Committee have received notice of the meeting.

Authority to seek information and advice

10. The Committee will have access to such information and advice, at the expense of the Company, both from within the Company and externally, as it deems necessary.

Annual General Meeting

11. The Chairman of the Committee shall, if required, account to the Shareholders for the content of their report or any matters arising from it, including attendance at the Annual General Meeting.

Role of the Board - Remuneration

12. The Board will agree the general policy on Remuneration for all staff. The Board may ask the Committee both for advice on this general policy and to commission external advice for presentation to the Board. More specifically, the Board will approve the following Remuneration items as part of the annual budget process: -
- a) The average level of increase (or decrease) in remuneration year-on-year for staff in continuing employment;
 - b) The total increase (or decrease) in remuneration year-on-year for all staff (i.e. reflecting joiners, leavers, new and redundant posts); and
 - c) The highest and lowest levels of increase in individual remuneration (in absolute and percentage terms).
13. The Board is responsible for remuneration policy and terms of service in respect of the Chairman and Non-Executive Directors. No Director may participate in any decision with regards to his/her own remuneration.

Role of the Committee - Remuneration

14. Within the general policy agreed by the Board, the Committee will advise and recommend to the Board the total individual remuneration package for Executive Directors and other identified key members of the Senior Management Team. The appointments to be covered are:
- a) Chief Executive (Cohort)
 - b) Finance Director & Company Secretary (Cohort)
 - c) Managing Directors of Cohort subsidiaries (EID, MASS, MCL, SEA and CHES)
15. The Committee will take into account the cost of any recommendations, general economic factors and the provisions of the QCA Corporate Governance Code, as appropriate.
16. The Committee shall ensure that remuneration arrangements are transparent and that these arrangements support the implementation of the Company's strategy in order to promote the long-term success of the Company through encouraging and rewarding the right behaviours, values and corporate culture. The agreed policy should link rewards to both corporate and individual performance, to ensure that failure is not rewarded, and that a duty to mitigate loss is fully recognised. The agreed policy must be within the risk appetite of the Board and respect the overall strategy of the Company.
17. The Committee will also specifically approve the detailed terms of service of each of the appointments listed above, ensuring that the Company can attract, retain and motivate these individuals, without paying more than is necessary, in accordance with the agreed policy including:
- a) Any annual change in remuneration
 - b) Any long-term incentive plan arrangements
 - c) Annual bonus arrangements
 - d) Share options (excluding SAYE schemes)
 - e) Provision of benefits
 - f) Pension arrangements
 - g) All other terms and conditions of employment, including termination
18. The Committee is responsible for setting the policy in respect of expenses and disbursements.

Role of the Committee - Oversight of other Remuneration

19. The Committee will maintain an oversight of all aspects of remuneration, including managerial staff reporting to the appointments listed above. Details of pay and employment conditions across the group will be provided annually to the Committee by Cohort corporate HQ. The principal purpose of this oversight role is to maintain internal visibility of all aspects of the remuneration, particularly with regards to the most senior members of staff and to confirm compliance with Cohort policies as determined by the Board.

Role of the Committee – Appointments

20. The Board is responsible for the appointment of all Board Members - Executive Directors, Non-Executive Directors and Company Secretary. The role of the Committee, in conjunction with the Executive Directors where appropriate

and as requested by the Board, is to manage the process to identify and select candidates who will be recommended to the Board for appointment.

21. The selection of non-Board appointees within those appointments covered by the Committee is, in the first instance, a matter for the Chief Executive; such appointments will be subject to Board approval following a recommendation from the Chief Executive. Alternatively, the Board may instruct the Committee to take responsibility for these or other Non-Executive appointments.

Role of the Committee – General

22. The Committee is responsible for recommending the draft Remuneration and Appointments Committee report to the Board for its approval and inclusion in the Company's Annual Report and Accounts.
23. The Committee will be provided with appropriate and timely training, both in the form of an induction programme for any new members, and on an ongoing basis for all existing members.
24. The Committee may be required by the Board to address other matters relating to Remuneration and Appointments not covered by the above.
25. In addressing its responsibilities, the Committee will take into account the budget plans approved by the Board and the financial results of the Company.
26. The Committee shall 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 QCA Corporate Governance Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.