

## **JD WETHERSPOON PLC (The Company)**

### **Terms of Reference for the Remuneration Committee**

#### **1 Constitution**

The Board has resolved to establish a Committee of the Board to be known as the Remuneration Committee.

#### **2 Membership**

The Remuneration Committee shall comprise a minimum membership of three non-executive directors, a majority of whom shall be independent. The members of the Committee are:

Debra van Gene (Chair)  
Elizabeth McMeikan  
Richard Beckett.  
Harry Morley

The Committee's quorum shall be two members.

The Chair of the Committee shall be an independent non-executive director.

Appointments to the Committee are for a period of three years, which may be extended for further periods of three years, provided the director still meets the criteria for membership.

Members of the Remuneration Committee: -

Shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chair of the Remuneration Committee.

Shall have no financial interest (other than as shareholders of the Company) in the matters considered by the Remuneration Committee;

Should ensure that they have no potential conflicts of interest arising from cross-directorships; and

Shall have no day-to-day involvement in the running of the business of the Company.

#### **3 Frequency of Meetings**

Meetings shall be held not less than twice a year, and otherwise as required.

#### **4 Attendance at Meetings**

Attendance at meetings shall be confined to members of the Committee, who shall be free to invite other members of the Board to attend and make representations if they should so wish. Executive Directors should play no part in decisions on their own remuneration.

#### **5 Minutes of Meetings**

The Secretary of the Committee shall minute and circulate the Minutes of the Remuneration Committee's meetings to members of the Remuneration Committee for

approval. Once approved, the minutes will be circulated to other Board members, unless inappropriate.

## **6 Authority**

- 6.1 The Committee is authorised by the Board to determine and agree with the board the policy and framework for all aspects of the remuneration of Executive Directors with a view to ensuring that they are fairly rewarded for their individual contributions to the Company's overall performance.

Within the terms of the agreed policy and in consultation with the Chairman and/or CEO as appropriate, the Committee is authorised by the Board to determine the total individual remuneration package of the Chairman and Executive Board directors.

- 6.2 No member of the Remuneration Committee shall be present when his own salary or remuneration is discussed nor shall he vote thereon.
- 6.3 The Committee is authorised by the Board to request such information as it shall deem necessary in order to carry out the duties set out hereafter either from inside the Company or externally.
- 6.4 The Committee expects to be consulted in a timely fashion on any major changes in remuneration and employee benefits structures at Management Board level.

## **7 Governance Framework**

The Remuneration Committee shall give full consideration to:

- 7.1 the provisions in the UK Authority's Listing Rules on Directors' remuneration, including the best practice provisions annexed to (but not forming part of) the Listing Rules;
- 7.2 the provisions of the UK Corporate Governance Code 2010 in particular section D which relates to directors' remuneration and to Schedule A which relates to the design of performance related remuneration.

## **8 Responsibilities, Powers and Discretions**

- 8.1 The Remuneration Committee shall be responsible for determining on behalf of the Board:
- 8.1.1 the Company's policy on executive Directors' remuneration;
  - 8.1.2 specific remuneration packages for each of the executive Directors (including pension rights and compensation payments).
- 8.2 reporting on the matters referred to at paragraph 8.1 to the Board to enable it to report to the company's shareholders.
- 8.3 The Remuneration Committee shall give full consideration to:
- 8.3.1 the performance of the Company;
  - 8.3.2 the performance of the individual;
  - 8.3.3 remuneration trends across the company
  - 8.3.4 the condition of the labour market;
  - 8.3.5 the need to recruit and retain high quality staff;
  - 8.3.6 the need to preserve a competitive cost base for the Company;
  - 8.3.7 the ongoing appropriateness and relevance of the remuneration policy;

- 8.3.8 Comparative evidence should be considered where appropriate but should be treated with caution and in light of the other factors listed above.
- 8.4 The remuneration committee shall be specifically responsible for determining
- 8.4.1 the salaries, bonuses, and all other terms and conditions of service of executive Directors;
  - 8.4.2 termination arrangements for executive directors on their leaving the Company are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
  - 8.4.3 pension or other long term incentive arrangements for executive Directors including participation in any executive pension scheme and any increases in pension benefits payable under the Company's pension scheme or otherwise;
  - 8.4.4 the application of, and invitations and grants of options under, the Company's existing share and share option schemes and sharesave schemes and any new share or share option schemes or sharesave schemes subsequently adopted by the Company;
  - 8.4.5 Agreeing the policy for authorising expense claims from the Chairman and executive directors
- 8.5 consult with the Chairman about proposals relating to the remuneration of other executive Directors;
- 8.6. be entitled to obtain such outside legal or other independent professional advice at the cost of the Company as the Remuneration Committee shall consider, in its discretion, to be appropriate and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- 8.7 assist the Board in preparing a report to the Company's shareholders to be included in the Company's annual report and accounts, containing full details of the Company's policy on remuneration and a full disclosure of the remuneration package for each individual Director by name, so as to ensure compliance with the requirements of, and other provisions relating to remuneration set out in, the Listing Rules
- 8.8 assist the Board in considering each year whether the circumstances are such that the Company's Annual General Meeting should be invited to approve the policy set out in the Remuneration report
- 8.9 review its constitution, terms of reference and its own performance periodically to ensure its effectiveness, and recommend any changes it considers necessary to the Board for approval.

## 9 **Reporting Procedure**

Recommendations as to the remuneration of individuals shall be communicated to the individuals concerned directly or indirectly, as appropriate, by the Chairman.

The Remuneration Committee Chairman shall:

- 9.1 report to the Board to enable it to report to the Company's shareholders on remuneration matters through the means specified in the Listing Rules; and
- 9.2 be available to answer questions on remuneration principles and practices at the Annual General Meeting of the Company.

**Approved by Resolution of the Board 12<sup>th</sup> September 2017**