

## **eServGlobal Remuneration and Nomination Committee**

### **Terms Of Reference**

#### **1. Membership**

1.1. The committee shall comprise at least two members, who shall be independent non-executive directors. Members of the committee shall be appointed by the board, on the recommendation of the chairman of the committee.

1.2. 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.

1.3. Only members of the committee have the right to attend committee meetings. 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 deemed to be appropriate and necessary.

1.4. The committee shall nominate a secretary of the committee who will ensure that the committee receives information in a timely manner to enable full and proper consideration to be given to the issues.

#### **Meetings**

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

2.2. The committee shall meet at least twice a year and otherwise as required.

2.3. Meetings of the committee may be held by telephone.

2.4. Reasonable notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers as are appropriate, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors.

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

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

#### **3. Annual general meeting**

The committee chairman or a designated representative thereof shall attend the company's annual general meeting to answer any shareholder questions on the committee's activities.

#### **4. Duties of the Committee**

The committee shall carry out the duties detailed in the attached schedules for the parent company, major subsidiary undertakings and the group as a whole, as appropriate.

The Nomination Committee duties are set out in Schedule A.

The Remuneration Committee duties are set out in Schedule B.

#### **5. Reporting responsibilities**

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

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

5.3. The committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the relevant ASX Listing Rules, the Corporations Act and UK Listing Authority regulations, are fulfilled and produce a report of the company's nomination and remuneration policies and practices to be included in the company's annual report and, to the extent required by the Corporations Act, ensure each year that it is put to shareholders for approval at the AGM. If the committee has appointed consultants to assist with nomination and remuneration consultants, the annual report of the company's policies shall identify such consultants and state whether they have any other connection with the company.

5.4. The committee shall, through the chairman of the board, ensure that the company maintains contact as required with its principal shareholders about remuneration.

#### **6. Other matters**

The committee shall:

6.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.

6.2. 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.

6.3. Give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes including but not limited to the provisions of the ASX Listing Rules, the Corporations Act, and the UK Listing Authority's and any other applicable rules, as appropriate.

6.4. 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.

26 November 2014

## Schedule A

### Duties in relation to Nominations

1. The committee shall:
  - 1.1 monitor the board's composition and size and the balance of skills, knowledge and experience on the board.
  - 1.2 recommend to the board as a whole the selection and appointment of any new Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and non-executive directors in accordance with the ASX Corporate Governance Principles and Recommendations and the UK Corporate Governance and Stewardship Codes as required including the preparation of a description of the role and capabilities required for a particular appointment.
  - 1.3 engage the services of a consultant to assist with recruitment as appropriate.
  - 1.4 require the CEO to request the committee's approval in respect of the appointment of company senior managers as appropriate;
  - 1.5 report on the nomination of all new board appointments;
  - 1.6 structure and assess the board's performance to ensure that the board's operations add value;
  - 1.7 keep under review the leadership needs of the organisation at varying levels with a view to ensuring the continued ability to compete effectively in the company's market place;
  - 1.8 ensure that, on appointment to the board, non-executive directors receive a formal letter of appointment that sets out clearly what is expected of them in terms of time commitment, Committee service and involvement outside board meetings.
2. The committee shall also make recommendations to the board:
  - 2.1 regarding plans for succession, in particular, of the chairman and the chief executive of the company;
  - 2.2 regarding the re-appointment of any non-executive director at the conclusion of his/her specified term of office, especially when he/she has concluded his/her second term;
  - 2.3 concerning the re-election by shareholders of any director under the "retirement by rotation" provisions in the company's constitution, the Corporations Act 2001 and UK Corporate Governance and Stewardship Codes as applicable;
  - 2.4 concerning any matters relating to the continuation in office as a director at any time;

- 2.5 concerning the appointment of any director to executive or other office other than to the positions of chairman and chief executive of the company, the recommendation for which would be considered at a meeting of:
  - 2.5.1 all the non-executive directors regarding the position of chief executive;  
and
  - 2.5.2 all the directors regarding the position of chairman;
- 2.6 concerning suitable candidates for the role of any independent director;
- 2.7 concerning the items to be published in the company's annual report relating to the activities of the committee which shall include the process used by the committee in relation to board appointments; and
- 2.8 concerning nominations for proposed non-executive directors, in which respect it shall have due regard to structuring the board to add value.

## Schedule B

### Duties in relation to Remuneration

The committee shall:

1. Have responsibility for recommending to the board 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 Constitution the shareholders shall determine the remuneration of the non-executive directors within the limits set in the Constitution. No director or senior manager shall be involved in any decisions in connection with their own remuneration.
2. Recommend and monitor the level and structure of remuneration (including any incentive and pension schemes) for senior management.
3. In determining such policy, take into account all factors that it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the relevant regulatory 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 shall have regard to the risk appetite of the company and alignment to the company's long strategic term goals. A significant proportion of remuneration shall be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the company.
4. When recommending to the board or to shareholders the remuneration policy for non executive directors, review and have regard to directors fees in comparable companies. The committee may appoint an external consultant to advice in respect of the remuneration policy.
5. Review the on-going appropriateness and relevance of the remuneration policy.
6. Within the terms of the agreed policy and in consultation with the chairman and/or chief executive, as appropriate, recommend the total individual remuneration package of each executive director, the company chairman and other designated senior executives including bonuses, incentive payments and share options or other share awards.
7. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfill such obligations the committee shall, subject to board approval and the requirements of the Corporations Act, 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.
8. Be responsible for recommending to the board the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.
9. Recommend to the board the design of, and determine targets for, any performance-related pay schemes operated by the company and recommend to the board the total annual payments made under such schemes in accordance with the relevant regulations.
10. Review the design of all share incentive plans for approval by the board and, as applicable,

shareholders. For any such plans, recommend to the board 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.

11. Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives.

12. 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.

13. Monitor major changes in employee benefits structures throughout the company or group.

14. recommend to the board the policy for authorising claims for expenses from the directors.

15. Work and liaise as necessary with all other board committees.

16. 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