

**JAMES FISHER AND SONS plc**

**REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**re-approved 13.12.22**

## **1. Constitution**

The Board of James Fisher and Sons Public Limited Company ("the Board") has established a Remuneration Committee ("the Committee").

## **2. Membership**

- 2.1 Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least 3 members, all of whom should be independent Non-Executive Directors.
- 2.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisors may be invited to attend all or part of any meeting as and when appropriate.
- 2.3 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.
- 2.4 The Board shall appoint the Committee Chair, who shall be an independent Non-Executive Director who has served on a remuneration committee for at least 12 months. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

## **3. Secretary**

The Company Secretary or 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 matters arising.

## **4. Quorum**

The quorum necessary for the transaction of business shall be 2, both of whom must be independent Non-Executive Directors. 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.

## **5. Frequency of Meetings**

The Committee shall meet at least three times a year and at such other times as required.

## **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be summoned at the request of the Committee Chair or any of its members.
- 6.2 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, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **7. Minutes of Meetings**

- 7.1 The Secretary or nominee shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
- 7.2 Draft minutes of Committee meetings shall be circulated to the Committee Chair and then to all members of the Committee. Once approved, minutes shall be circulated to the Chairman of the Board and (subject to any necessary redactions) to the Executive Directors and Group HR Director.

## **8. Engagement with shareholders**

The Committee Chair shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders, as appropriate, on significant matters related to the Committee's areas of responsibility.

## **9. Duties**

- 9.1 The Committee shall:
  - 9.1.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Executive Directors and Senior Executives<sup>1</sup>. The remuneration of Non-Executive Directors shall be a matter for the Chairman of the Board and the Executive Directors. No Director or manager shall be involved in any decisions as to their own remuneration;
  - 9.1.2 in determining such policy, take into account all factors which it deems necessary. 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;

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<sup>1</sup> A Senior Executive is defined for the purposes of this document as the Company Secretary, and other members of the senior management of the Company and its subsidiaries as the Committee may determine.

- 9.1.3 review the ongoing appropriateness and relevance of the remuneration policy, to ensure that members of the Executive management of the Company are provided with appropriate incentives to support strategy and promote long-term sustainable success, and that Executive remuneration: aligns to company purpose and values; is clearly linked to the successful delivery of the company's long-term strategy; and enables the use of discretion to override formulaic outcomes and the recovery and/or withholding of sums or share awards under appropriate specified circumstances;
- 9.1.4 approve the design of, and determine targets (including non-financial personal objectives) for, any performance-related incentive schemes operated by the Company, and approve the total payments made under such schemes annually;
- 9.1.5 approve 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 and Senior Executives and the performance targets to be used;
- 9.1.6 determine the policy for, and scope of, pension arrangements for each Executive Director and Senior Executive;
- 9.1.7 within the terms of the agreed policy ensure for any Executive Director or Senior Executive 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;
- 9.1.8 within the terms of the agreed policy and in consultation with the Chairman of the Board, determine the total individual remuneration package of each Executive Director and Senior Executive including bonuses, incentive payments and share options or other share awards;
- 9.1.9 in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the prevailing UK Corporate Governance Code and the UK Listing Authority's Listing Rules, and associated guidance;
- 9.1.10 review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Directors and Senior Executives;
- 9.1.11 oversee any major changes in employee benefits structures throughout the Company;
- 9.1.12 consider the Code requirements for clarity and simplicity of remuneration arrangements, remuneration risk and predictability of outcomes, the proportionality of outcomes in respect of strategy delivery and alignment to culture;

9.1.13 agree the policy for authorising claims for expenses from the Directors;

9.1.14 ensure that all provisions regarding disclosure of remuneration, including pensions, as set out in the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and the prevailing UK Corporate Governance Code are fulfilled; and

9.1.15 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee; and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have the full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

## **10. Reporting Responsibilities**

10.1 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The Committee shall produce:

10.3.1 an annual report on remuneration which will be put to shareholders each year on an advisory vote basis; and

10.3.2 a remuneration policy report which will form part of the annual report and will be put to shareholders for approval by way of a binding resolution, at least once every three years, unless there is a change in policy requiring shareholder approval.

## **11. Other**

The Committee shall, at least once a year, review its own performance, 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.

## **12. Authority**

12.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.

12.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference.