

**Nomination & Remuneration Committee – Terms of Reference**  
of  
**Associated Oxygen Limited**

**1. Purpose**

- 1.1 The purpose of the Nomination and Remuneration Committee is to assist the Board in ensuring that the Board and Executive Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Company.
- 1.2 The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of senior remuneration arrangements to enable the recruitment, motivation and retention of partners generally.
- 1.3 The Committee oversees arrangements for senior appointments (including election processes) and succession planning.
- 1.4 The Committee also assists the Board by reviewing and making recommendations in respect of the remuneration policies and framework for all staff.

**2. Authority**

- 2.1 The Nomination and Remuneration Committee is a Committee of the Board of Associated Oxygen Limited (“the Board”) from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee.

**3. Constitution**

**3.1 Chairperson**

- 3.1.1 The Chair of the Committee will be an at-large Non-Executive Board member appointed by the Chairman.
- 3.1.2 In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.1.3 The Committee Chair does not have a casting vote.
- 3.1.4 The Chair shall hand non-voting chairmanship of the Committee to the Independent Non-Executive attendee of the Committee, solely for the Committee’s deliberation and determination of the Director’s performance evaluation and remuneration.

**3.2 Membership**

- 3.2.1 The Committee will comprise at least three Non-Executive members.
- 3.2.2 One Independent Non-Executive shall be invited to attend all meetings of the Committee, but shall not be a voting member.
- 3.2.3 Members of the Committee shall be appointed by the Board on the recommendation of the Non-Executive Board Member; in the case of co-opted members, appointments shall be made by the Board on recommendation of the Chair of the Committee.
- 3.2.4 Non-Executive Members shall comprise a majority of the Committee at all times.
- 3.2.5 Members may be removed from the Committee at any time by the Board.

### **3.3 Duration of appointments**

3.3.1 Unless otherwise determined by the Board, the duration of appointments of Non- Executive members of the Committee and of co-opted members shall be for a period of up to three years which may be extended by the Board

### **3.4 Secretary**

3.4.1 The Board Secretary or their nominee shall act as Secretary to the Committee and attend all meetings.

3.4.2 The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all members and attendees, as appropriate, taking into account any conflicts of interest that may exist.

## **4. Proceedings of Meetings**

### **4.1 Frequency of Meetings**

4.1.1 The Committee shall meet at least one times a year and otherwise as required.

4.1.2 Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

### **4.2 Quorum**

4.2.1 Any two members or two-third members of the Committee may form a quorum, provided at least one at- large Non-Executive Board member is in attendance.

4.2.2 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.

4.2.3 In the event of difficulty in forming a quorum, Non-Executive Board members who are not members of the Committee may be co-opted as members for individual meetings.

### **4.3 Attendees**

4.3.1 Only the members of the Committee and other Non-Executive members of the Board have the right to attend Committee meetings.

4.3.2 In addition to one Independent Non-Executive, the following will be expected to attend Committee meetings on a regular basis:

- a) Managing Director/other Director
- b) Chief Financial Officer
- c) Head of Administration and other departmental head
- d) Board Secretary.

4.3.3 Any Director, officer or employee of the Company may attend at the invitation of the Chair of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chair of the Committee.

## **5. Responsibilities**

The committee shall:

### **5.1 Nomination**

5.1.1 Oversee and support a formal, rigorous and transparent approach to senior appointments in the firm, including considering and making recommendations regarding appointments to leadership roles, as defined by the Board

5.1.2 Review and approve appointments of Directors to Executive seats on the Board, on nomination by the Chairman;

5.1.3 Consider and make recommendations regarding potential external Independent Non-Executives;

5.1.4 Advise the Chairman (who shall consult with the Committee) in relation to other leadership or market-facing appointments, which are high profile or involve potential concerns that could have a material impact on the reputation of the firm, or as defined by the Board;

5.1.5 Oversee the maintenance of an effective framework for succession planning including

- reviewing and commenting for succession planning for senior leadership roles;
- 5.1.6 in conjunction with the Independent Non-Executives, determine the criteria for candidacy for Directors' election as Non-Executive Members of the Board;
  - 5.1.7 determine and oversee, in coordination with the Non-Executive Member and General Body, the election processes for at-large Non-Executive Members and shortlist nominees as candidates for election;
  - 5.1.8 Form an Extended Nomination Committee, with additional co-opted members, attended by the Independent Non-Executives and chaired by the Non- Executive Member to determine and oversee the Chairman and Director Election process in coordination with the General Body and to shortlist nominees as candidates.

## **5.2 Remuneration**

- 5.2.1 Review, approve and oversee the implementation of remuneration policies for all directors which are designed both to recognize in-year performance and to support the long term business strategy and values of Company as well as promote effective risk management;
- 5.2.2 Establish a framework and determine criteria for the balance scorecard and Companies of the Director by which his/her performance is measured;
- 5.2.3 Determine the remuneration of the Managing Director taking into account the evidence and feedback on his/her performance presented by the Non-Executive Member;
- 5.2.4 Approve the remuneration of the Managing Director taking into account the assessment of his/her performance by the Chairman;
- 5.2.5 Approve the remuneration of the other members of taking into account the assessment of their performance by the Chairman and Managing Director;
- 5.2.6 Review remuneration and benefits arrangements, and make recommendations, in respect of any Director or senior employee that involve making material exceptions to policy, or material payments or guarantees outside the normal remuneration model, and be consulted by the Managing Director in respect of them;
- 5.2.7 Oversee the implementation of the pay appeals process approved by the Board and determine appeals submitted to the Committee by Directors in respect of their benchmark remuneration;
- 5.2.8 Review and make recommendations, where appropriate, in respect of the remuneration policies and framework for all staff to ensure they support the strategic objectives, culture and values of the Company.

## **6. Reporting**

- 6.1 Minutes of each Committee meeting will be disclosed at the next meeting of the Board unless there are privacy and confidentiality reasons that prevent disclosure beyond the members of the Committee. Periodically the Chair of the Committee shall report to the Board on matters within its duties and responsibilities.
- 6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of significant issues dealt with by the Committee.
- 6.3 The Committee shall work and liaise as necessary with other committees of the Board.

## **7. Governance and Resources**

- 7.1 The Committee shall, via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.
- 7.2 The Committee shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in

- fulfillment of its role and whether or not its annual plan of work is manageable.
- 7.3 The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions (liaising where relevant with other committees).
  - 7.4 In order to ensure the integrity of its decision making, where the Committee is considering any proposal related to either the appointment to a leadership position, or the remuneration, of a Director who: (i) is a member of the Committee; or (ii) was within the previous 12 months a member of the Extended Nomination Committee for the chairman election, then the Committee shall co-opt at least one additional Non-Executive and one Independent Non-Executive (in a non-voting capacity) for the specific consultation and decision-making process and that discussion will be chaired by the Independent Non- Executive.
  - 7.5 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent Body and other professional advisers and to invite them to attend meetings.

## **8. Terms of Reference**

- 8.1 The Committee shall annually review its Terms of Reference and may recommend to the Board any amendments to its Terms of Reference.

**\*Terms of Reference approve by the Board on 12 February 2019**