

## TULLETT PREBON PLC

### Remuneration Committee Terms of Reference

#### 1. Membership

- 1.1 Members of the Remuneration Committee ("the Committee") shall be appointed from time to time by the Board and shall consist of not fewer than three independent non-executive directors. In addition, the Company Chairman may be a member provided he or she was considered independent at the time of appointment as Chairman.
- 1.2 The chairman of the Committee shall be appointed from time to time by the Board.
- 1.3 Members of the Committee shall be identified in the Company's statutory accounts.

#### 2. Secretary

The secretary of the Committee shall be appointed from time to time by the Committee.

#### 3. Authority of the Committee

- 3.1 The Committee, giving full consideration to the principles of good governance (and the code of best practice contained in The Combined Code on Corporate Governance), shall be responsible on behalf of the Board for developing and maintaining formal and transparent policies on remuneration for the Company's employees, the framework in which that policy is applied, and its cost.
- 3.2 In particular, the Committee shall on behalf of the Board:
  - (i) consider the relationship between incentives and risk including review of the group's Risk Assessment Framework to assess risks which may be affected by remuneration policies.
  - (ii) determine, on the basis of the principles set out in 3.1:
    - (a) the specific remuneration packages for each of the executive directors and the Chairman, including pension rights and all benefits whether in cash or in kind, fixed for a term or performance related, immediate or deferred;
    - (b) any variation of the specific remuneration packages for any of the executive directors;
    - (c) approve the terms and authorise the execution of any relevant documentation;
  - (iii) determine the rules of any new employee share scheme or other equity based long term incentive programme or recommend any changes to such rules;
  - (iv) review and approve, after consultation with the Chief Executive, the level and structure of remuneration for senior management. The definition of "senior management" for this purpose includes those members of the Executive Committee who are not executive directors and the first layer of management below that level;
  - (v) have oversight of the remuneration policies applicable to brokers (front office revenue generators);

- (vi) on the basis of the principles set out in 3.1, in relation to the Company's share option scheme(s) on each occasion on which options are granted:
  - (i) determine the performance criteria to be applied to those options;
  - (ii) determine the allocation of options to executive directors; and
  - (iii) review the allocation of options to senior managementand approve the terms and authorise the execution of any relevant documentation;
- (vii) determine, on the basis of the principles set out in 3.1, any compensation payments to be made to any executive director on the termination or variation of his/her employment;
- (viii) advise, and where appropriate, make recommendations to the Board of the Company:
  - (a) as to developments in best practice relating to the remuneration of all employees; and
  - (b) on the basis of those developments to recommend appropriate changes to the authority of the Committee;and
- (ix) investigate and report and/or make recommendations regarding, any matter in any way connected with the matters which the Committee is to determine or on which it is to advise, or which is referred to the Committee by the Board of Directors of the Company.

3.3 The Committee shall not determine the remuneration of any non-executive director, other than the Chairman of the Company.

#### **4. Consultation and External Advice**

4.1 The Committee shall consult the chairman and/or the chief executive about its proposals relating to the remuneration of other executive directors.

4.2 The Committee is authorised to obtain all necessary information from within the Company and to access professional advice inside and outside the Company, as it considers necessary.

#### **5. Reporting Procedures**

- (i) A note of the decisions of the Committee signed by the chairman of the Committee shall be a sufficient record and conclusive evidence of the validity of the Committee's decisions. The Chairman of the committee shall attend each AGM and shall be available to answer questions raised by shareholders at the AGM.
- (ii) The Committee shall review and approve the Report on Directors' Remuneration including all disclosures.

#### **6. Procedural Matters**

6.1 The quorum of the Committee shall be two members.

6.2 Meetings of the Committee shall be held as required, but not less than two times a year.

March 2010