

## TERMS OF REFERENCE

Name of Committee	For Company
Remuneration Committee	WCGplc (the "Company")
<b>Authorisation</b>	
<p>The Remuneration Committee is authorised by the Board to:</p> <ul style="list-style-type: none"> <li>● undertake any activity within its Terms of Reference; and</li> <li>● seek any information it requires from within the Company and any independent professional, technical and/or legal advice or other resources from outside the Company as and when it considers this necessary.</li> </ul>	
<b>Objectives</b>	
<ol style="list-style-type: none"> <li>1. To determine and approve all aspects of remuneration, including bonuses, incentive payments and the granting of share options under the Company's share option schemes, in respect of: <ul style="list-style-type: none"> <li>● the Chief Executive of the Company ("CEO");</li> <li>● the executive directors of the Company; and</li> <li>● the Company Chairman (who will take no part in any discussions or decisions)</li> </ul> </li> <li>2. Agree the framework and policy for remuneration of individuals considered to have a material impact on the risk profile of Walker Crips Group (Code Staff) to ensure they are suitably rewarded and motivated.</li> <li>3. Approve the framework and policy for remuneration of self-employed Associates of the Company, including incentives on targets assigned to new business and assets under management.</li> </ol> <p>The remuneration of non-executive directors of the Company shall be a matter for the Chairman and the executive members of the Board. No director shall be involved in any decisions as to their own remuneration.</p> <p>All meetings shall be minuted and minutes circulated by the CEO to all members of the Committee following each meeting of the Committee.</p>	
<b>Responsibilities</b>	
<p><b>General</b></p> <ol style="list-style-type: none"> <li>1. To determine the Company's policy on executive directors' remuneration and specific remuneration packages for each of the executive directors, including pension rights and any compensation payments.</li> <li>2. To consult the CEO about proposals relating to the remuneration of the other executive directors and have access to professional advice inside and outside the company – the cost of such professional advice to be reasonable in relation to the Company's overall expenses budget.</li> <li>3. The Chairman of the Remuneration Committee shall: <ul style="list-style-type: none"> <li>● report to the shareholders in accordance with the Listing Rules of the London Stock Exchange;</li> </ul> </li> </ol>	

- (or other members of the Remuneration Committee) attend the Company's Annual General Meeting to answer shareholders' questions about executive directors' remuneration.
4. To consider each year whether the circumstances are such that the Remuneration Committee should report to shareholders at the Annual General Meeting. The Remuneration Committee Annual Report to shareholders need not be a standard term of agenda for the Annual General Meeting.
  5. To receive annual reports from the Risk Management Committee on the alignment of remuneration to risk performance and conduct.
  6. To review and approve the framework and policy for remuneration of self-employed Associates.
  7. To approve the broad remuneration policy of Walker Crips Group, review the policy annually and to direct an internal review of the implementation of the remuneration policy.
  8. To approve the population of Code Staff and review this population at least annually to ensure ongoing appropriateness.

#### **Variable remuneration awards**

1. To review and approve remuneration proposals for senior executives, Code Staff, and other employees and executive directors. For these purposes remuneration shall include:
  - Increases in salary and benefits;
  - Bonus awards allocated from the WCG annual bonus pool;
  - Awards made under a bonus deferral or long term incentive plan; and
  - Any other awards as appropriate
2. To review remuneration structures and performance management processes for individuals within the Walker Crips Group to ensure that:
  - Individuals working in risk and compliance functions are appropriately remunerated in line with functional objectives;
  - All individuals, employed and self-employed, working at Walker Crips Group are assessed against financial and non-financial metrics, to include consideration of behaviour, conduct and promotion of the Company's culture and values.
3. To review total proposed bonus levels against risks facing Walker Crips Group and satisfy itself that the pools are appropriate.
4. To review and approve proposed awards of guaranteed variable remuneration to ensure that they align with WCG remuneration policy.

#### **Severance contracts and compensation**

1. To consider what compensation commitments (including pension contributions) the executive directors' contracts of service, if any, would entail in the event of early termination, particularly for unsatisfactory performance.
2. To be sensitive and flexible, especially over timing, as to setting notice or contract periods at, or reducing them to, one year or less. In some cases, notice or contract periods of up to two years may be acceptable, although longer periods should be avoided wherever possible.
3. Where it is necessary to offer longer notice or contract periods, such as three years, to newly recruited executive directors, such periods should reduce after the initial period.

4. To tailor its approach, within the legal constraints, in individual early termination cases to the circumstances. The Board aims to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing executive directors' obligations to mitigate damages.
5. Where appropriate, and in particular where notice or contract periods exceed one year, the Company will consider paying all or part of compensation in instalments rather than one lump sum and reducing or stopping payment when the former director takes on new employment.

**Other**

1. To ensure that all provisions regarding disclosure of remuneration, as set out in the relevant legislation and regulations, are fulfilled.
2. To review this charter at least annually and recommend any amendments to this Charter from time to time.

Reporting Into	Frequency of Meetings
WCGplc Board	Half-yearly, or more often as required.

**Members**

1. The Remuneration Committee is comprised of three Non-Executive Directors with:
  - no personal financial interests, other than as shareholders, in the matters to be decided;
  - no potential conflicts of interest arising from cross-directorships; and
  - no day-to-day involvement in running the business.
2. As at the date of this document, the members are:
  - a. David Gelber
  - b. Martin Wright
  - c. Hua Min Lim
  - d. Clive Bouch
3. The CEO attends certain parts of the meetings of the Remuneration Committee by invitation.
4. Only the members of the Remuneration Committee have the right to attend committee meetings. Other individuals may attend from time to time at the invitation of the committee but will not have the authority to vote.

**Budget**

There are no budgetary considerations which affects the operation of the Remuneration Committee.

**Other Notes**

- General Policies to be considered by the Remuneration Committee:**
1. The Remuneration Committee should provide the packages needed to attract, retain and motivate executive directors of the quality required but should avoid paying more than is necessary.

2. The Remuneration Committee should judge where to position the company relative to other companies. It should be aware what comparable companies are paying and take account of relative performance.
3. The Remuneration Committee should be sensitive to the wider scene, including pay and employment conditions elsewhere in the Group, especially when determining annual salary increases.
4. The performance-related elements of remuneration should be designed to align the interests of executive directors and shareholders and to give executive directors keen incentives to perform at the highest levels.
5. The Remuneration Committee should consider whether the executive directors should be eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to enhance the business. Upper limits should always be considered.
6. There may be a case for part-payment in shares to be held for significant period.
7. The Remuneration Committee should consider whether the executive directors should be eligible for benefits under long-term incentive schemes. Traditional share option schemes should be weighted against other kinds of long-term incentive schemes. In normal circumstances, shares granted or other forms of deferred remuneration should not vest and options should not be exercisable in less than three years. Executive directors should be encouraged to hold their shares for a further period after vesting or exercise subject to the need to finance any costs of acquisition and associated tax liability.
8. Any new long-term incentive schemes which are proposed should be approved by shareholders and should preferably replace existing schemes or at least form part of a well-considered overall plan, incorporating existing schemes. The total rewards potentially available should not be excessive.
9. Payouts or grants under all incentive schemes, including new grants under existing share option schemes should be subject to challenging performance criteria reflecting the company's objectives. Consideration should be given to criteria which reflect the Company's performance relative to a group of comparator companies in some key variables such as total shareholder return.
10. Grants under Executive share option and other long-term incentive schemes should normally be phased rather than awarded in one large block.
11. The Remuneration Committee should consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration especially executive directors close to retirement.
12. In general, neither annual bonuses nor benefits in kind should be pensionable.

**Management Sign-off**

David Gelber	Rodney FitzGerald
July 2017	July 2017