

MJ GLEESON PLC

Company No: 9268016

Remuneration Committee Terms of Reference authorised by resolution of the Board of Directors passed on 28 June 2017

References to ‘the Company’ shall mean MJ Gleeson PLC.

References to ‘the Committee’ shall mean the Remuneration Committee.

References to ‘the Board’ shall mean the full Board of Directors.

1. *Membership*

- 1.1 The Committee shall comprise of at least two members, all of whom shall be independent Non Executive Directors. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman. Members of the committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee.
- 1.2 Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chairman of the Board, 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 appropriate and necessary.
- 1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended at the Board’s discretion.
- 1.4 The Board should appoint the Committee Chairman who shall be an independent Non-Executive Director. Notwithstanding that although the Chairman of the Board might qualify as a member of the Committee, the Chairman of the Board shall not be eligible to be appointed as Chairman of the Committee. In the absence of the Committee Chairman and/or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting who would qualify under these terms of reference to be appointed to that position by the board.

2 *Secretary*

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

3 *Quorum*

- 3.1 The quorum necessary for the transaction of business by the Committee shall be two. 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 *Meetings*

- 4.1 The Committee shall meet formally at least twice a year and at such times as the Chairman of the Committee shall require.

5. *Notice of Meetings*

- 5.1 A meeting of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
- 5.2 Notice of each meeting of the Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, unless otherwise agreed by all concerned, be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors not fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6. *Minutes of Meetings*

- 6.1 The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

7. *Annual General Meeting*

- 7.1 The Chairman of the Committee shall attend the Annual General Meeting and shall be prepared to respond to any shareholder questions on the Committee's activities.

8. *Duties*

The Committee shall:

- 8.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's or Group's Chief Executive, the Chairman of the Board, the Executive Directors, the Company Secretary and such other members of the Executive Management as it is designated to consider and take care to recognise and manage conflicts of interest. The remuneration of Non-Executive Directors shall be a matter for the Chairman and the Executive Members of the Board. No Committee attendee shall participate in any discussion or decision on their own remuneration.
- 8.2 in determining such policy, take into account factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated

guidance. The objective of such policy shall be to ensure that members of the Executive Management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;

- 8.3 review the ongoing appropriateness and relevance of the remuneration policy;
- 8.4 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive, as appropriate, determine the total individual remuneration package of the Chairman, each Executive Director, Company Secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards.
- 8.5 approve the design of, and determine targets for, any performance related pay schemes operated by the Company in relation to the Executive Directors and Divisional Managing Directors and approve the total annual payments made under such schemes;
- 8.6 review 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, members of the Executive Management and other senior executives and the performance targets to be used;
- 8.7 determine the policy for and scope of pension arrangements for each Executive Director, the Executive Management and other senior executives;
- 8.8 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;
- 8.9 review and note annually the remuneration trends across the Company or Group;
- 8.10 oversee any major changes in employee benefit structures throughout the Company or Group;
- 8.11 agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
- 8.12 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 full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

9. *Reporting Responsibilities*

- 9.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.

10. *Other matters*

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members
- 10.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate
- 10.4 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.

11 *Authority*

- 11.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 11.2 The Committee is authorised by the Board, when the fulfilment of its duties requires, to obtain any outside legal or other professional advice, including the advice of independent remuneration consultants, to secure the attendance of external advisers at its meetings, if it considers this necessary