



INTERTEK GROUP PLC

REMUNERATION COMMITTEE TERMS OF REFERENCE

1.	Membership
1.1	The Committee shall comprise at least three 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 and 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 Chief Executive Officer, the Executive Vice President 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 are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three-years, provided the director still meets the criteria for membership of the Committee.
1.4	The Board shall appoint the Committee Chairman who shall be an independent non-executive director. Before appointment as the Committee Chairman, the appointee should have served on a remuneration committee of any company for at least 12 months. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.
2.	Secretary
	The Group Company Secretary or his or her nominee shall act as the Secretary of the Committee.
3.	Quorum
	The quorum necessary for the transaction of business 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
	The Committee shall meet at least three times a year and otherwise as required.

5.	Notice of meetings
5.1	Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
5.2	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 and any other person required to attend, no later than five 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.
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	Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.
7.	Annual general meeting
	The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.
8.	Duties
	The Committee should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee shall
8.1	determine the policy for executive director remuneration and set the remuneration for the Company's Chairman, executive directors and senior management. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. Levels of remuneration for the Chairman and all non-executive directors should reflect the time commitment and responsibilities of the role and the remuneration of non-executive directors should not include share awards or other performance-related elements. No director or manager shall be involved in any decisions as to their own remuneration
8.2	review workforce remuneration and related policies and the alignment of incentives and rewards with the company purpose, values and culture, taking these into account when setting the policy for executive director remuneration. The Committee should also take into account other 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 executive directors 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 support strategy and promote the long-term sustainable success of the Company

8.3	<p>when determining executive director remuneration policy and practices, address the following:</p> <ul style="list-style-type: none"> • clarity – remuneration arrangements to be transparent and promote effective engagement with shareholders and the workforce; • simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand; • risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated; • predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy; • proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance; and • alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.
8.4	<p>obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board</p>
8.5	<p>be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee</p>
8.6	<p>exercise independent judgement when evaluating the advice of third parties and when receiving views from executive directors and senior management</p>
8.7	<p>approve the design of, and determine targets for, any performance related pay schemes operated by the Company ensuring they are transparent, stretching and rigorously applied and approve the total annual payments made under such schemes</p>
8.8	<p>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 and senior management, the vesting and holding period together with the performance targets to be used</p>
8.9	<p>ensure that remuneration plans promote long-term shareholdings by executive directors to support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of 5 years</p>
8.10	<p>develop a formal policy for post-employment shareholding requirements</p>
8.11	<p>ensure that remuneration schemes and policies enable the use of discretion to override formulaic outcomes and performance-related remuneration schemes and include provisions that will enable the Company to recover sums paid or withhold the payment of any sum or share awards, and specify the circumstances in which it would be</p>

	appropriate to do so
8.12	determine the policy for, and scope of, pension arrangements for each executive director and senior management. The pension contribution rates for executive directors, or payments in lieu, be aligned with those available for the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, to be carefully considered when compared with workforce arrangements
8.13	ensure that notice or contract periods should be one year or less and that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that poor performance is not rewarded and that the duty to mitigate loss is fully recognised
8.14	oversee any major changes in employee benefits structures throughout the Intertek Group.
9.	Reporting responsibilities
9.1	The Committee Chairman shall report 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 a report of the Company's Remuneration Policy and practices in the Company's annual report to be put to shareholders for approval at least once every three years and ensure each year that the Annual Report on Remuneration is put to shareholders for approval at the AGM and includes a description of the work of the Committee.
9.4	The Committee Chairman to maintain contact as required with the Company's principal shareholders about remuneration.
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 department 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 Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate
10.4	arrange for periodic reviews of its own performance and, at least annually, review its 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
	The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.