

REMUNERATION COMMITTEE CHARTER

1. PURPOSE OF THE CHARTER

- 1.1 This Remuneration Committee Charter (the Charter) sets out the role, composition and responsibilities of the Remuneration Committee (the Committee) of the Board of Directors (the Board) of Capital Limited (the Company) within the governance structure of the Company and its subsidiaries (the Group).
- 1.2 The conduct of the Committee is also governed by the Company's Code of Conduct Policy and Articles of Association of the Company (the Constitution).
- 1.3 The Committee's primary functions as set out in this Charter are make recommendations to the Board on:
 - A) the remuneration, recruitment, retention, termination, superannuation and incentive policies and procedures for Senior Executives; and,
 - B) the Group's employee or executive incentive share plans.
- 1.4 The ultimate responsibility for the remuneration, recruitment, retention, termination superannuation and incentive policies and procedures for Senior Executives (Chairman, Chief Executive Officer, Executive Directors, Chief Financial Officer, Chief Operation Officer, General Counsel, Company Secretary and Senior Management as directed by the Chief Executive Officer) and the Groups' employee or executive incentive share plans rests with the full board.
- 1.5 The Charter has been updated to take account of the UK Corporate Governance Code (the Code) published in September 2014 and best practice guidance issued by the Financial Reporting Council. The Charter was adopted by the Board on 28 November 2018.

2. MEMBERSHIP, TERM AND VOTING

- 2.1 The members of the Committee shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not fewer than three members, a majority of whom must be Independent Non- Executive Directors as per the requirements contained within Article 2.2 of the Company's Board Charter.
- 2.2 A quorum shall be two members.
- 2.3 Where possible, the Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board.
- 2.4 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Committee.
- 2.5 The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a Director of the Board.
- 2.6 Appointments to the Committee shall be for a period of three years or such lesser period approved by the board by the Board, with Committee members generally being eligible for re-appointment for so long as they remain eligible under section 2.1 above. The effect of ceasing to be a Director of the Board is the automatic termination of appointment as a member of the Committee.

- 2.7 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting, and any such decision shall for all purposes be deemed a decision of the Committee.
- 2.8 In the case of equality votes, the Chairman of the Meeting, in addition to his deliberative vote, has a casting vote.

3. SECRETARY AND MINUTES

- 3.1 The Company Secretary shall be the Secretary of the Committee and the minutes of meetings of the Committee shall be made available to all members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 3.2 For the avoidance of doubt, the Company Secretary shall not be entitled to vote or be counted in the quorum in respect of any resolution of the Committee.

4. ATTENDANCE AND FREQUENCY OF MEETINGS

- 4.1 Meetings of the Committee shall be called by the Company Secretary, at the request of the Committee Chairman. In addition, the Chairman shall call a meeting of the Committee if so requested by any Member of the Committee or by the Chairman of the Board.
- 4.2 The Secretary shall prepare an agenda for each meeting, to be agreed by the Chairman of the Committee and ensure the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 4.3 Unless otherwise agreed, notice of the meeting will be sent to all members of the Committee no later than five working days before the date of the meeting.
- 4.4 Meetings shall be held when required, but in any event shall be held not less than once per calendar year.
- 4.5 The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to each member of the Committee. The Secretary of the Company shall retain the original signed minutes for filing with the corporate records of the Company.
- 4.6 The Chairman of the Committee shall report to the Board following meetings of the Committee, and as otherwise requested by the Chairman of the Board.
- 4.7 A meeting of the Committee shall, where possible, be held close to the financial year end to review the Directors' Remuneration Report ("DRR"), in order that the DRR may be submitted to shareholders for approval at the AGM.

- 4.8 Only members of the Committee have the right to attend the Committee meetings. Other Company directors, senior management and/or employees of the Company may be invited to attend any meeting (or part thereof) at the Committee Chairman's discretion.
- 4.9 No Director shall attend that part of a meeting at which the performance or remuneration of that Director is being discussed.
- 4.10 Notwithstanding the above, if in the opinion of the Committee, their investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee shall give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.

5. CHAIRMAN OF THE COMMITTEE

- 5.1 The Chairman of the Committee shall be selected by the Board and shall:
- A) maintain contact, as required, with its principal shareholders about the Company's remuneration policy;
 - B) maintain dialogue with key individuals involved in the Company's remuneration policy, including the Chairman of the Board, the Chief Executive Officer, the Group Human Resources and Risk manager; and,
 - C) attend the Annual General Meeting to answer shareholder questions on the Committee's activities, where possible.

6. AUTHORITY AND RESOURCES

- 6.1 The Committee is authorised by the Board to investigate any matter within its terms of reference and to make recommendations to the Board on any such matter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable requests made by the Committee.
- 6.2 The Committee is authorised by the Board to obtain, at the Company's expense, outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the Chairman and/or Chief Executive Officer of the Company.
- 6.3 The Committee shall have access to sufficient resources in order to carry out its duties, including legal or other professional advice on any matters within its terms of reference, including the assistance of the Company Secretary to fulfil its duties.
- 6.4 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

7. DUTIES

7.1 The duties of the Committee include:

- A) setting the Company's remuneration, recruitment, retention, incentive and termination policies and procedures for Senior Executives, including pension rights and any compensation payments;
- B) setting the basic salary paid to Senior Executives taking account of any recommendations made by the Chairman and/or Chief Executive Officer of the Company;
- C) setting the total remuneration package for the Chairman, Chief Executive Officer and Executive Director;
- D) setting any bonuses to be paid to the Senior Executives and in respect of any element of remuneration which is performance related, to formulate suitable performance related criteria and monitor their operation, and to consider any recommendations of the Chairman and/or Chief Executive Officer of the Company regarding bonuses or performance related remuneration, noting that performance conditions should be relevant, stretching and designed to enhance shareholder value;
- E) recommend the remuneration framework for Senior Executives determining all performance-related formulae relevant to the remuneration of the Senior Executives of the Company and to consider the eligibility of the Senior Executives for annual bonuses under long term incentive schemes, the objecting being to attract, retain and motivate Senior Executives of the quality required to run the Company having regard to views of shareholders;
- F) develop and review the remuneration policy, having regard to the risk appetite of the Company and alignment to the Company's long term strategic goals, structuring the rewards to the individuals and the Company's performance;
- G) monitoring the administration of all aspects of the employee or executive incentive share plans operated by or to be established by the Company;
- H) review the design of all share incentive plans for approval by the Board and where applicable the shareholders. For all the Company's plans, subject always to the rules of that scheme and any applicable legal and stock exchange requirements giving consideration to:
 - i) the selection of those eligible Senior Executives to whom shares or options should be granted;
 - ii) the timing of any grant;
 - iii) the number of shares over which options are to be granted;
 - iv) the exercise price at which options are to be granted;
 - v) the imposition of any objective condition which must be complied with before any option may be exercised; and
 - vi) any such changes in employee benefit structures throughout the Group.
- I) to have regard in the performance of the duties set out in this Clause to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share incentive schemes which the Committee consider appropriate, including obtaining up-to-date information about the remuneration policy of other companies of comparable scale and complexity;

- J) to consider and make recommendations to the directors of the Company concerning disclosure of detail of remuneration packages and structures in addition to those required by law or by any of the stock exchanges the Company is listed on from time to time;
- K) to determine and review superannuation arrangements of the Group;
- L) establishing the criteria, selecting, appointing and setting terms of reference for any remuneration consultants who advise the Committee;
- M) ensure contractual terms on termination are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and,
- N) the policy for authorising claims for expenses from all Directors and Senior Executives.

7.2 The Board or where applicable, the shareholders at a general meeting, shall determine the remuneration of the Non-Executive Directors in accordance with the Articles of Association of the Company.

7.3 In carrying out its duties, the Committee shall give due consideration to the laws, regulations and any published guidelines or recommendations regarding the remuneration of Directors of listed companies and formation and operation of share schemes including but not limited to 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.

8. REPORTING

8.1 The Committee Chairman shall report to the Board on its proceedings following each meeting, making whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9. EVALUATION

9.1 The Committee will 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.

10. REVIEW OF CHARTER

10.1 The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

11. AMENDMENT OF THIS CHARTER

11.1 This Charter has been adopted by the Board. Any amendment to this Charter can only be approved by the Board.



11.2 The Company Secretary in conjunction with the General Counsel is responsible for reviewing this Charter on an annual basis to ensure its continued compliance with legal and corporate governance requirements applicable to companies listed on any stock exchange on which the Company is listed and, if necessary, suggesting amendments to the Charter for consideration by the Board.

12. PUBLICATION OF THE CHARTER

12.1 Key features of this Charter are to be outlined in the Annual Report.

12.2 A copy of this Charter is to be made available on the Company's website (www.capdrill.com).

12.3 This Charter will be made available to the Company's shareholders upon request.