

**TERMS OF REFERENCE  
FOR  
INVISTA REAL ESTATE INVESTMENT MANAGEMENT  
HOLDINGS PLC**

**REMUNERATION COMMITTEE**

**1. Introduction**

- 1.1 The following are the terms of reference for the Remuneration Committee (“Committee”) of Invista Real Estate Investment Management Holdings Plc (“Company”).

**2. Membership**

- 2.1 The Committee comprises the two independent Non-Executive Directors of the Company and the Chairman.
- 2.2 The Chairman of the Committee will be the Chairman of the Company.
- 2.3 A quorum of the Committee is any two Committee members.
- 2.4 The composition of the Committee and the Chairman of the Committee are approved by the Board.
- 2.5 The Secretary to the Committee is appointed by the Chairman of the Committee.

**3. Attendance**

- 3.1 The Invista Director representing HBOS shall be entitled to attend meetings of the Committee as a non-voting observer.
- 3.2 The Committee may invite other persons to attend meetings where appropriate to assist in the effective discharge of the Committee’s duties.
- 3.3 The other Directors and the Invista Real Estate Head of Human Resources have the right to attend and speak at meetings of the Committee, except where specifically personally conflicted.

**4. Frequency of Meeting**

- 4.1 The Committee will meet at least twice a year.
- 4.2 Any Committee member or the secretary may call additional meetings as necessary.

## **5. Authority**

- 5.1 The Committee is authorised by the Board to undertake any activity within these terms of reference and, in particular, to discharge on behalf of the Board the duties set out in section 6 hereof.
- 5.2 In discharging its authority the Committee will at all times act reasonably in the interests of Directors and employees as well as those of the Company.
- 5.3 The Committee is authorised to seek appropriate professional advice when it considers this necessary.
- 5.4 Although normally decisions are reached on a consensus, in the events of a disagreement, decisions on any matter are made by the majority, with the Chairman of the meeting having a second casting vote in the event of a tie. A Committee member who remains opposed to a proposal after a vote for his or her dissent to be noted in the minutes.
- 5.5 No Committee member is to be involved in any decisions as to their own remuneration.
- 5.6 In carrying out its duties under these terms of reference, the Committee will have due regard to any legal requirements, provisions and recommendations in the Combined Code on Corporate Governance, the UK Listing Authority's Listing Rules and associated guidance and, the Directors Remuneration Report Regulations 2002.
- 5.7 It is the responsibility of the Chairman of the Committee to maintain these terms of reference for the Committee, to ensure they are reviewed on at least an annual basis and to ensure the effectiveness and efficiency of the Committee.
- 5.8 The Terms of Reference of the Committee shall be made publicly available explaining the role and the authority delegated to it by the Board.
- 5.9 The Chairman of the Committee will be available in person at the Annual General Meeting of the Company to answer Shareholders' questions about the Directors' remuneration.

## **6. Principal Duties**

The Committee is authorised by the Board to:-

- 6.1 consider and recommend to the Board, Remuneration Policy for Executive Directors and Senior Management including salary, incentive schemes, pension plans and other benefits and payments to be made on retirement, resignation or dismissal, (the Remuneration of Non Executives is a matter for the Executive members of the Board.);
- 6.2 determine the specific remuneration arrangements for Executive Directors and Senior Management including their specific salary reviews, bonuses, incentive payments and share options;

- 6.3 determine targets for any performance related pay schemes operated by the Company;
- 6.4 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;
- 6.5 agree the policy for authorising claims for expenses from the Chief Executive Officer and the Chairman;
- 6.6 select, appoint and set the terms of reference of any remuneration consultants who advise the Committee;
- 6.7 approve the Company's employee share option schemes and any significant changes to the rules of the scheme. Review the ongoing effectiveness of the schemes;
- 6.8 approve any contract of employment or related contract with any Executive Director or with the Chairman of the Company;
- 6.9 report the number of, and attendance by members at, Committee meetings, in the Annual Report;
- 6.10 consider and recommend to the Board the contents of the Board's annual reports to shareholders on Directors' remuneration to be included in the Annual Report and the Summary Financial Statement;
- 6.11 consider the policy and approval process for Executive Directors and those in senior management taking up external non-executive appointments; and
- 6.12 consider the policy and monitoring process for all Directors and those in senior management holding shares in the Company;

## **7. Minutes**

- 7.1 The minutes of meetings of the Committee are to be circulated to all members of the Committee and to nominated recipients within ten business days of the meeting.
- 7.2 The minutes will be approved by the Chairman.