

**GVC HOLDINGS PLC**  
**(the *Company*)**

**TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE**  
**(the *Committee*)**

**MEMBERSHIP**

1. The Committee shall be appointed by the board of directors of the Company (the ***Board***) on the recommendation of the Nominations Committee and in consultation with the Chairman of the Committee, and shall consist of not less than three members. A quorum shall be two members. 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.
2. The Committee shall consist exclusively of independent non-executive directors of the Company with no personal financial interest other than as shareholders in the matters to be decided and no potential conflicts arising from cross-directorships. The Chairman of the Board may also be appointed as an additional member of the Committee if he or she was considered independent on appointment as Chairman of the Board.
3. The Chairman of the Committee shall be appointed by the Board, but shall not be the Chairman of the Board. In the absence of the Chairman of the Committee at any particular meeting of the Committee, the remaining members present shall elect one of their number to chair the meeting.
4. The Company Secretary shall be the Secretary of the Committee.
5. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director still meets the criteria for membership of the Committee. The Board shall determine all terms of appointment of members of the Committee.
6. The members of the Committee shall be identified in the Company's annual financial statements.

**MEETINGS**

7. Only members of the Committee shall have the right to attend Committee meetings.
8. The Chief Executive Officer of the Company will be invited to attend meetings of the Committee as and when appropriate, except when matters relating to his own remuneration are discussed. The Group Human Resources Director, other directors, advisers or other appropriately experienced outsiders may attend on the invitation of the Committee as and when appropriate.
9. Meetings shall be held not less than twice a year and at such other times as the Chairman of the Committee or any member of the Committee shall require.
11. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.
12. Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting together with an agenda of items to be discussed shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors prior to the date of the meeting in a timely manner. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

13. Neither the Chairman of the Board nor any executive director, the Company Secretary or member of the senior management shall be involved in any discussions on or decisions as to his or her own remuneration.

#### **AUTHORITY**

14. The Committee shall investigate any activity within its terms of reference. It may seek any information it requires from any employee. All employees shall co-operate with any request made by the Committee. However, where executive directors or senior management are involved in advising or supporting the Committee, care shall be taken by the Committee to recognise and avoid conflicts of interest.

15. The Committee may, at the Company's expense, obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

16. Within any budgetary constraints imposed by the Board, the Committee may appoint remuneration consultants and commission or purchase relevant reports, surveys or information which it considers necessary to help fulfil its duties. The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise it. Where such consultants are appointed, the Committee is required to make available a statement whether they have any connections with the Company.

#### **DUTIES**

17. Having regard to the rules of the UK Listing Authority and the requirements of the UK Corporate Governance Code, the duties of the Committee shall be:

- (a) to determine and agree with the Board the policy for the remuneration of the Chief Executive Officer, executive directors, Company Secretary and senior management of the Company reporting directly into the Chief Executive Officer. The remuneration of non-executive directors (including the Chairman of the Board) shall be a matter for the Board on the recommendation of the executive directors. No individual shall be involved in any decisions as to that individual's own remuneration;
- (b) in determining such policy, to take into account all 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 attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The remuneration policy should have regard to the risk appetite of the Company and alignment to the Company's strategic term goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company;
- (c) within the terms of the agreed policy, and in consultation with the Chairman of the Board and/or Chief Executive Officer as appropriate, to determine, and to review on an annual basis, the total individual remuneration package of the Chief Executive Officer, each executive director, the Company Secretary and senior management, including bonuses, incentive payments and share options or other share awards;
- (d) to review regularly the on-going appropriateness and relevance of the remuneration policy;
- (e) to liaise with the Nominations Committee to ensure that the remuneration of a newly-appointed Chief Executive Officer or executive director is within the Company's overall remuneration policy;

- (f) to set and monitor performance criteria for any bonus arrangements for the Chief Executive Officer, the executive directors, Company Secretary and senior management and the framework of the bonus structure for staff generally;
- (g) to approve the length and terms of all service contracts or appointment letters for a newly-appointed Chairman of the Board, Chief Executive Officer, or executive director and any material amendments thereto;
- (h) to agree the policy for authorising claims for expenses from the Chief Executive Officer and the Chairman of the Board;
- (i) to approve any significant loan to a director or employee of the Company, and “significant” shall mean a loan of over £100,000 if such loan is to meet expenditure incurred or to be incurred by such director or employee for the purposes of the Company or for the purpose of enabling him to properly perform his duties as a director or employee of the Company or otherwise shall mean a loan of over £10,000;
- (j) to recommend to the Board the policy for, and scope of, pension arrangements (if any) for the Chief Executive Officer, executive directors, the Company Secretary and senior management taking into account the future liabilities of any recommendation and to detail precisely which elements of the remuneration package are pensionable;
- (k) in relation to the Company’s share option and share award schemes (including any long-term co-investment plans):
  - (i) to review the design of all share incentive plans for approval by the Board and shareholders;
  - (ii) to set or recommend performance criteria for share awards;
  - (iii) to determine each year whether option grants or share awards will be made and if so, the overall amount of such option grants or share awards; and
  - (iv) to approve proposed option grants or share awards to the Chief Executive Officer, the executive directors, Company Secretary and senior management;
- (l) in reviewing and advising on remuneration matters giving due consideration to laws, regulations and any published guidelines or recommendations regarding 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 & Transparency Rules as well as guidelines published by the Investment Association and the Pension and Lifetime Savings Association and any other applicable rules, as appropriate;
- (m) to obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity;
- (n) to review and note annually the remuneration trends across the Company;
- (o) to oversee any major changes in employee benefit structures throughout the Company;
- (p) to approve the terms to be agreed in respect of any termination of the Chief Executive Officer or any executive director and to ensure that such terms are fair and reasonable and not excessive, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

- (q) to ensure that provisions regarding disclosure of remuneration information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code, are fulfilled and produce a report of the Company's remuneration policy and practices to be included in the Company's annual report and ensure each year that it is put to shareholders for approval at the Company's annual general meeting; and
- (r) to ensure that the Board maintains contact with its principal shareholders about its remuneration policy, practices and procedures and the Committee's Chairman will be make himself available to the Company's shareholders to discuss any remuneration matters.

#### **REPORTING PROCEDURES**

18. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

19. The Secretary shall promptly circulate minutes of meetings of the Committee to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest occurs.

20. The Chairman of the Committee shall report to the Board on the proceedings of the Committee after each meeting of the Committee.

21. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

22. The Committee shall conduct an annual review of its work, constitution and these terms of reference to ensure it is operating effectively and at maximum efficiency and make recommendations to the Board for any changes it considers necessary.

23. The Chairman of the Committee shall attend the Annual General Meeting of the Company and shall be prepared to respond to any shareholder questions on the Committee's activities, the Company's remuneration policy and the Company's Directors' Remuneration Report.

24. The Committee shall make these terms of reference available to shareholders of the Company.

**Adopted on 15 April 2016**