

## **CAPITAL & COUNTIES PROPERTIES PLC**

### **TERMS OF REFERENCE OF REMUNERATION COMMITTEE**

#### **1. CONSTITUTION**

These terms of reference were adopted by resolution of the Board dated 1 August 2011.

The Remuneration Committee is a committee of the Board of Directors of Capital & Counties Properties PLC ("Capital & Counties") and answerable to the Board. The meetings and proceedings of the Committee shall be governed by the appropriate clauses of Capital & Counties' Articles of Association.

#### **2. MEMBERSHIP AND ATTENDANCE**

The members of the Committee are Mr Henderson (Chairman of the Committee), Mr Huntley, Mr Strang and Mr Staunton, all of whom are "independent" Non-Executive Directors of Capital & Counties. The quorum shall be two members.

Members of the Remuneration Committee will be appointed by the Board and shall comprise the Chairman of the Committee and a minimum of two non-Executive Directors.

The Committee will be chaired by its Chairman, who shall be an independent non-Executive Director of Capital & Counties appointed by the Board of Capital & Counties, or, in his absence, by another independent non-Executive Director.

Other Directors may attend meetings by invitation of the Chairman or a majority of the Committee.

The Chief Executive will attend meetings when the Committee considers any matter relating to Executive Directors (other than himself), or to Directors of a subsidiary company, or other remuneration issues where the Committee requests his advice or input.

#### **3. FREQUENCY OF MEETINGS**

- (a) For the purpose of approving the Directors' Remuneration Report in the company's Annual Report, once annually in the period of two months prior to the date of signing the company's Annual Report;
- (b) As appropriate on each occasion, in the month prior to the granting of share options or any share or profit related benefits; and
- (c) Additionally, as requested from time to time by the Chairman or a member of the Committee, in order to consider and to determine remuneration issues as set out in 4 hereunder.

#### **4. DUTIES AND RESPONSIBILITIES**

- 4.1 The Committee will:

determine and agree with the Board the framework or broad policy for the remuneration of the Chief Executive, the Chairman of the company, the Executive Directors and such other members of the executive management as it is designated to consider;

- (ii) determine targets for any performance-related pay schemes operated by the company;
- (iii) determine the policy for and scope of pension arrangements for each Executive Director;
- (iv) 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;
- (v) within the terms of the agreed policy, determine the total individual remuneration package of each Executive Director including, where appropriate, bonuses, incentive payments and share options;
- (vi) in determining such packages and arrangements, give due regard to the contents of the UK Corporate Governance Code as well as the UK Listing Authority's Listing Rules and associated guidance;
- (vii) be aware of, and advise on, any major changes in employee benefit structures throughout the company or group;
- (viii) agree the policy for authorising claims for expenses from the Chief Executive and the Chairman;
- (ix) ensure that provisions regarding disclosure of remuneration, including pensions as set out in the Schedule 8 to the Large & Medium-size Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code, are fulfilled;
- (x) be responsible for establishing the selection criteria, and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- (xi) report the frequency of, and attendance by members at, remuneration committee meetings in the company's annual reports; and
- (xii) make available to the public, on the Company's website, the Committee's terms of reference. These will be reviewed annually and, where necessary, updated, with the approval of the Board.

4.2 The remuneration of non-Executive Directors, including the Deputy Chairman, will be a matter for determination by the Chairman and Executive members of the Board.

4.3 No Director or manager should be involved in any decisions as to their own remuneration.

**1 August 2011**