

**Remuneration Committee Members:**

Deepak Parekh – Senior Independent Non-Executive Director  
(Committee Chairman)

Robert Woods – Independent Non-Executive Director

Mark Russell - Independent Non-Executive Director

Mohamed AlSuwaidi – Independent Non-Executive Director

**Secretary**

Ritva Kassis

## **DP WORLD LIMITED**

### **Remuneration Committee: Terms of Reference**

**Approved 2 June 2016**

**Reaffirmed 8 December 2016**

#### **1. Membership**

- 1.1 The Remuneration Committee shall comprise not less than three members, to be selected by the Board (on the recommendation of the Nomination and Governance Committee and in consultation with the chairman of the Remuneration Committee). The majority of the members should be independent non-executive directors.
- 1.2 The Chairman of the Board may also serve on the Remuneration Committee as a member but not the chair of the Committee.
- 1.3 Appointments to the Remuneration Committee shall be for a period of up to three years which may be extended by two further three-year periods. .
- 1.4 If any member of the Remuneration Committee is unable to act for any reason, the chairman of the Remuneration Committee may appoint any other director of the Company to act as his alternate.
- 1.5 The chairman of the Remuneration Committee, who shall be an independent non-executive director, shall be appointed by the Board. In the absence of the chairman of the Remuneration Committee, the remaining members present shall elect one of their number, who would qualify under these terms of reference to be appointed to that position by the Board, to chair the meeting.

#### **2. Secretary**

The Company Secretary is the secretary of the Remuneration Committee.

#### **3. Quorum**

The quorum for meetings of the Remuneration Committee is any two of its members.

#### **4. Attendance at Meetings**

No one other than a Remuneration Committee Member is entitled to attend meetings of the Remuneration Committee but others may attend by invitation. The Chief Executive Officer, members of HR and external advisers may be invited to attend for all or part of any meeting as and when appropriate and necessary.

#### **5. Frequency of Meetings**

- 5.1 Meetings of the Remuneration Committee are to be held not less than twice a year and at such other times as the chairman of the Remuneration Committee

shall require. Any of the Remuneration Committee members may request a meeting of the Remuneration Committee if he or she considers it necessary, to be arranged by the secretary.

- 5.2 No committee member shall participate in any discussion or decision on their own remuneration.

## 6. **Authority**

- 6.1 The Remuneration Committee is authorised by the Board:

- 6.1.1 to investigate remuneration paid to directors of other companies of a similar size in a comparable industry sector;
- 6.1.2 to obtain information it requires (including, without limitation, information on the remuneration of any employee) from any employee of a Group Company;
- 6.1.3 to obtain, at the Company's expense, such legal or other independent professional advice as it deems necessary to fulfil its responsibilities;
- 6.1.4 to obtain, at the Company's expense, but within any budgetary constraints imposed by the Board, remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties;
- 6.1.5 to obtain the advice and assistance of any of the Company's executives provided their role in providing such advice and assistance is clearly separated from their role within the business; and
- 6.1.6 to secure the attendance of any person with relevant experience and expertise at committee meetings if it considers this appropriate.

## 7. **Duties and Responsibilities**

- 7.1 The duties of the Remuneration Committee are:

- 7.1.1 to determine and agree with the Board on the Company's framework of remuneration for the Chief Executive Officer, executive directors, senior management, the Company Secretary, the chairman of the Board and any other key control functionaries such as risk or compliance officers and auditors and its cost. The objective of such policy shall be to ensure that members of the executive management and key control functionaries of the Company are provided with appropriate incentives to encourage enhanced performance, to ensure that the independence and objectivity of the decision making by such individuals is not compromised or impaired by their remuneration structure and that such individuals are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. Furthermore, an important consideration that should be taken into account in setting the remuneration of any key control functionaries in particular is that their

remuneration shall not substantially be linked to the profits generated by the business or trading units whose activities are subject to monitoring and oversight by those functionaries;

- 7.1.2 to have oversight of the general remuneration policy and to review the ongoing appropriateness and relevance of the remuneration policy;
- 7.1.3 to review the design of all share incentive plans. For any such plans, to determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, the Company Secretary and other senior management and the performance targets to be used;
- 7.1.4 to advise the Company's Chairman and/or the Chief Executive Officer of the packages needed to attract, retain and motivate executive directors of the quality required (but avoid paying more than is necessary for this purpose);
- 7.1.5 within the terms of the agreed policy and in consultation with the Chairman and/or the Chief Executive Officer as appropriate, to determine the total individual remuneration package of each executive director and the Chairman including bonuses, incentive payments, share options or other share awards and pension arrangements and annually review as appropriate;
- 7.1.6 to approve the terms and duration of any service agreement to be entered into with any executive director, bearing in mind that an objective should be to set notice or contract periods at one year or less and that the performance related elements of remuneration should form a significant proportion of the total remuneration package of executive directors and should be designed to align their interests with those of the shareholders and to give such directors incentives to perform at the highest level;
- 7.1.7 to have oversight of, monitor and recommend to the Board the level and structure of remuneration to senior management including bonuses, incentive payments, share options or other share awards and pension arrangements;
- 7.1.8 to approve and oversee any major changes in employee benefits structures throughout the Company or Group;
- 7.1.9 to determine whether the directors should be eligible for annual bonuses and, if so, to consider an upper limit for such bonuses;
- 7.1.10 to determine whether the directors should be eligible for benefits under long term incentive schemes and to weigh traditional share option schemes against other kinds of long-term incentive scheme;

- 7.1.11 to consider the pension consequences and associated costs to the Company of basic salary increases and other changes in remuneration, especially for directors close to retirement;
- 7.1.12 to consider where to position the Company relative to other companies and to be aware what comparable companies are paying, taking account of relative performance and using such comparisons with caution;
- 7.1.13 to be sensitive to the wider scene, including pay and employment conditions elsewhere in the Group, especially when determining annual salary increases;
- 7.1.14 to consider what compensation commitments (including pension contributions) the directors' service agreements, if any, would entail in the event of early termination. Particular consideration should be given to 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;
- 7.1.15 in early termination cases where the initial contract does not explicitly provide for compensation commitments, to tailor its approach (within legal constraints) to the circumstances. The aim should be to avoid rewarding poor performance, while dealing fairly with cases where departure is not due to poor performance and to take a robust line on reducing compensation to reflect departing directors obligations to mitigate loss;
- 7.1.16 to agree the policy for authorising claims for expenses from the directors;
- 7.1.17 to ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- 7.1.18 to be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee;
- 7.1.19 to make recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 7.1.20 to provide information relating to the overall remuneration policy and strategy of the Company to be included in the annual report in order to demonstrate that the remuneration, particularly of the executive Directors and senior managers, in order to properly link the rewards to corporate and individual performance and outcomes, and to ensure that any performance-based remuneration granted is structured in such a way so as not to induce inappropriate risk taking by any such individuals; and
- 7.1.21 to consider other matters as referred to the Remuneration Committee by the Board.

## 8. **Reporting Procedures**

- 8.1 The Remuneration Committee's chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and attend the Company's annual general meeting to be available to answer shareholders' questions.
- 8.2 The secretary shall:
  - 8.2.1 minute the proceedings and resolutions of all meetings of the Remuneration Committee, including recording the names of those present and in attendance;
  - 8.2.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and
  - 8.2.3 promptly circulate minutes of the Remuneration Committee meetings to all members of the Remuneration Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

## 9. **Other Matters**

The Remuneration Committee shall:

- 9.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- 9.2 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;
- 9.3 give due consideration to applicable laws, regulations and rules; and
- 9.4 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.