

Hays plc

REMUNERATION COMMITTEE: TERMS OF REFERENCE

To determine and agree with the Board, the policy (the "Policy") for the remuneration of the Chairman, Executive Directors, and designated direct reports to Directors ("Specified Individuals"). The objective of the Policy shall be to promote the long term success of the Company without paying more than is considered necessary.

Constitution:

The Committee will consist of independent non-executive directors exclusively, appointed by the Board on the recommendation of the Nomination Committee with a minimum of three to be a quorum. Committee membership will initially be for three years and can be subsequently extended by additional three-year periods, provided that the relevant member continues to meet the criteria for membership of the Committee. The Chairman of the Company may also be an additional member, but not chairman, of the Committee, provided he/she was considered to be independent on appointment as Chairman.

The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

The Committee shall meet at least twice a year and otherwise as required.

The Company Secretary or his or her nominee will act as secretary to the Committee.

Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chairman.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date 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, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

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

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

The Committee shall invite members of management and advisors to attend its meetings as it sees fit.

Duties:

- Determine an overall remuneration policy applicable to the Specified Individuals and setting out for each reward element the link to strategic objectives, how it operates, performance measures and maximum potential. Performance-related elements should be transparent and stretching.
- Determine the salary and incentive payments for the Specified Individuals within the agreed policy, in relation to directors taking into account remuneration policy and practice across the Group, shareholder views and review the on-going appropriateness. No director or senior manager shall be involved in any decisions as to their own remuneration.

- Design, implement and manage performance related pay schemes for the Specified Individuals to include target setting. Performance criteria should be challenging and should reflect the Company's objectives and include non-financial performance metrics where appropriate. Regard should also be given to the risk-related aspects of remuneration policy to avoid incentivising excessive risk-taking and to ensure that the Committee has oversight of any associated risks throughout the Group, which may arise as a result of remuneration.
- Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Specified Individuals and the performance targets to be used.
- Determine the policy and scope of pension arrangements for the Specified Individuals.
- Determine the total individual remuneration for each Specified Individual.
- Determine the policy applicable to the recruitment of executive directors, including the maximum level of variable remuneration which may be granted.
- Establish an overall policy on payment for loss of office setting out the principles on which the determination of payments for loss of office will be approached.
- Ensure that contractual terms on termination and any payments made are in line with the overall policy on loss of office, fair to the individual and Company, that failure is not rewarded and that the duty to mitigate the loss is reflected.
- Determine and apply discretion in a manner that reflects the best interests of the Company and its shareholders.
- Be aware of and advise the Board on any major changes in employee benefit structures applicable to the Group and note annually remuneration trends across the Group.
- Set the policy for authorising expense claims from the Chief Executive, Finance Director and Chairman.
- Be exclusively responsible for establishing the selection criteria, selecting, appointing, setting the terms of reference for, and management of the remuneration consultants who advise the Committee and conduct a regular review of the arrangements to confirm that the advice received by the Committee is objective and independent. Such consultants should be identified in the Annual Report and a statement made as to whether they have any other connection with the Company.
- Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity. Commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company but within any budgetary restraints imposed by the Board.
- Prepare a Remuneration Report for approval by the Board, and shareholders, in line with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Code for publication in the Annual Report.
- Work and liaise as necessary with all other Board committees.

Reporting:

- Report its activities to the Board on a regular basis.

- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- Through the chairman of the Board, ensure that the Committee Chairman maintains contact as required with its principal shareholders about remuneration.

Other matters:

- Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 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.
- 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.
- The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.

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