

## **Glencore plc (the “Company”)**

### **Terms of Reference – Remuneration Committee**

References to the “Committee” shall mean the Remuneration Committee.

References to the “Board” shall mean the Board of Directors.

#### **1 Membership**

- 1.1 The Committee shall comprise at least three members, all of whom shall be independent nonexecutive directors. The Chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as Chairman. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of human resources and external advisers may be invited to attend for all or part of any Committee meeting as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.4 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 Chairman of the Board shall not be Chairman of the Committee.

#### **2 Secretary**

The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

#### **3 Quorum**

The quorum necessary for the transaction of business shall be two. 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.

#### **4 Frequency of Meetings**

The Committee shall meet not less than once a year and otherwise as required <sup>1</sup>

#### **5 Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.

<sup>1</sup> Meetings should be organised so that attendance is maximised (for example by timetabling them to coincide with Board meetings).

- 5.2 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.

## **6 Minutes of Meetings**

- 6.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 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 it would be inappropriate to do so, for example, due to the existence of a conflict of interests.

## **7 Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

## **8 Duties**

- 8.1 The Committee should carry out the duties below for the parent Company, major subsidiary undertakings and the group as a whole, as appropriate.

8.2 The Committee shall:

8.2.1 determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman and the Executive Directors. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or manager (or his or her associate as such term is defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules")) shall be involved in any decisions as to their own remuneration;

8.2.2 in determining such policy, take into account all factors which it deems necessary including in relation to all relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and the Code on Corporate Governance Practices contained in the HK Listing Rules and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;

- 8.2.3 when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company or group;
- 8.2.4 regularly review the ongoing appropriateness and relevance of the remuneration policy;
- 8.2.5 within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive, as appropriate, determine the total individual remuneration package of the Chairman and each executive director including pension rights, bonuses, benefits in kind, incentive payments and share options or other share awards;
- 8.2.6 obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or

information which it deems necessary, within any budgetary restraints imposed by the Board;

- 8.2.7 be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- 8.2.8 have responsibility for designing schemes of performance based incentives (including share incentive plans) for, and determine awards for those people falling within 8.2.1 above;
- 8.2.9 determine the policy for, and scope of, pension arrangements for each executive director;
- 8.2.10 ensure that contractual terms on dismissal, loss of office or termination (whether for misconduct or otherwise), and any payments made, are fair and not excessive to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 8.2.11 review and approve any compensation payable to executive directors and senior executives in connection with any dismissal, loss of office or termination (whether for misconduct or otherwise) to ensure that such compensation is determined in accordance with the relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- 8.2.12 oversee any major changes in employee benefits structures throughout the Company or group;
- 8.2.13 agree the policy for authorising claims for expenses from each member of the Board (including non-executive directors): and
- 8.2.14 be responsible for all other matters required to be carried out by it under the UK Corporate Governance Code.

## **9 Reporting Responsibilities**

- 9.1 The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the Annual General Meeting.

## **10 Other**

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- 10.2 be provided with appropriate timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 give due consideration to applicable laws and regulations. This shall include the applicable rules and regulations which apply to the Company arising from the listing of its securities on any stock exchange, and the UK Corporate Governance Code;

- 10.4 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.

## **11 Authority**

- 11.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties and all employees are directed to co-operate with any such request made by the Committee.
- 11.2 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.