

Channel Four Television Corporation

Remuneration Committee Terms of Reference

Updated: June 2018
L Huntley

Remuneration Committee

Purpose: *The Corporation through the Remuneration Committee deals with remuneration, allowances and such other payments and provisions for the Ex-officio (Executive) Members and all of Channel 4's staff including pension rights and any compensation payment. The remuneration policy is designed to enable Channel 4 to attract, motivate and retain high calibre staff and members of the Executive team by rewarding them with both fixed and variable pay. The Remuneration Committee seeks to balance the fixed and variable elements of pay in such a way as to reward commercial success while being sensitive to the position that Channel 4 occupies as a public service broadcaster.*

<p>Chair Stewart Purvis</p> <p>Secretary Lynette Huntley (Board Secretary)</p>	<p>Terms of Reference</p>
<p>Other Members</p> <p>Fru Hazlitt Non-Executive Member Chris Holmes Non-Executive Member</p> <p>At least 2 non executive members should be present at any meeting for it to be quorate.</p>	<p>Scope</p> <p>Along with and in addition to the duties mentioned in "purpose" above, the Members have delegated to the Remuneration Committee the task of:</p> <ul style="list-style-type: none"> a) recommending remuneration for the Chief Executive; b) setting remuneration for other Executive board members and the wider Executive team; and c) considering in relation to all employees of the Corporation:
<p>In Attendance</p> <p>Charles Gurassa Non-Executive Chairman Alex Mahon Chief Executive Caroline Ross Chief Human Resources Officer</p>	<ul style="list-style-type: none"> • schemes for performance related pay and decisions about the outcome of such schemes; • significant merit or market rate increases for individuals or posts over and above the general award; • any other significant change in the Corporation's remuneration package; and • the Corporation's pension fund arrangements and related employee benefits. <p>In particular, the Remuneration Committee may consider the pension consequences and associated costs to the Corporation of basic salary increases and any other changes in pensionable remuneration, especially for Members close to retirement.</p> <p>In relation to a) and c) above, the Remuneration Committee will make recommendations to the Members for approval at full Board meetings.</p>

	<p>Process</p> <p>The Chairman, Chief Executive and the Chief Human Resources Officer normally attend meetings of the Remuneration Committee.</p> <p>No Executive Member attends meetings of the Remuneration Committee at times when the Remuneration Committee discusses any aspect of his or her remuneration, allowances or other such payments, benefits or terms of employment. Where Executive Members or senior management are involved in advising or supporting the Remuneration Committee, care is taken to recognise and avoid conflicts of interest.</p> <p>The Remuneration Committee may also appoint any consultants in respect of Executive Member remuneration, and where appointed, provide a statement as to whether such consultant has any other connection with the Corporation.</p> <p>The Chairman will report in general terms on the Remuneration Committee's decisions, and bring to the Board's attention any matters of an unusual or sensitive nature.</p> <p>Meetings are minuted.</p> <p>Frequency</p> <p>Biannual or as required</p>

Remuneration Policy

The Remuneration Committee will consider all aspects of remuneration policy in the light of any relevant external trends and analysis and up-to-date information about remuneration in the external market (which may include other media companies or other suitable comparator companies). The Remuneration Committee will set the remuneration of Executive Members (except the Chief Executive), and the wider Executive Team. It

will recommend the remuneration of the Chief Executive to the Board. The remuneration of the Chairman and other Non-Executive Members shall be a matter for Ofcom.

The Remuneration Committee will recommend to the Board the Corporation's framework or broad policy for remuneration. In considering such policy, the Remuneration Committee shall 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 the remuneration policy shall be to ensure that members of the Corporation's Executive team 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 Corporation. The Remuneration Committee shall review the appropriateness and relevance of the remuneration policy on an ongoing basis.

On behalf of the Board, the Remuneration Committee shall consider the design of, and recommend targets for, any performance related pay schemes operated by the Corporation and recommend to the Board the total annual payments made under such schemes. The Remuneration Committee will consider whether Executive Members should be eligible for annual bonuses and if so, recommend to the Board the upper limits that will be paid.

The Remuneration Committee shall consider and recommend to the Board any major changes in employee benefits structures.

Where the Corporation has agreed to permit an Executive Member to serve as a non-executive director elsewhere, the annual remuneration report will include a statement detailing what remuneration (if any) is paid to such Executive Member in the non-executive role.

The Terms of Reference relating to the Remuneration Committee shall be supplied on demand and made available on the Corporation website.

Service Contracts and Compensation

In making recommendations to the Board, the Remuneration Committee will ensure that contractual terms on termination (including pension contributions and all other elements), and any payments made, are fair to the Executive member and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.