

# PORTLAND JSX LIMITED

## COMPENSATION COMMITTEE – REVISED TERMS OF REFERENCE

### **1. Purpose**

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.

### **2. Membership**

- 1) Membership of the Committee shall be appointed by the Board and shall be made up of at least three members of the Board, the majority of whom shall be independent non-executive Directors of the Company.
- 2) Only members of the Committee have the right to attend Committee meetings but other individuals such as the chief executive officer, head of human resource (or person(s) substantially acting in a similar capacity though not so described) and external advisers may be invited by the Committee Chairman to attend for all or part of any meeting, as and when appropriate.
- 3) The members of the Committee shall serve for such term or terms as the Board may determine or until earlier resignation or death. Appointments may be extended by the Board at its sole discretion provided the Directors continue to meet the criteria for membership of the Committee. The Board may remove any member of the Committee with or without cause.
- 4) The Board shall appoint the Committee Chairman who may choose a member of the Committee from time to time to act as his/her appointed deputy. The Board Chairman shall not be chairman of the Committee but he may be a Committee member if he or she was considered independent on appointment as chairman. In the absence of the Committee Chairman and/or an appointed deputy (if any), the remaining members present shall elect one of themselves to chair the meeting.

### **3. Secretary**

The Company Secretary or their nominee shall act as the secretary of the Committee.

### **4. Quorum**

The quorum necessary for the transaction of business shall be two (2). 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.

## **5. Meetings**

The Committee shall meet once in each year and at such other times as the Committee Chairman shall require.

## **6. Notice of Meetings**

Committee meetings 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 (5) 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.

## **7. Minutes of Meetings**

- 1) The secretary of the Committee shall minute the proceedings and resolutions of all meetings, including the names of those present and in attendance or otherwise.
- 2) Minutes of Committee meetings shall be circulated promptly to all members of the Committee and once agreed, to all members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

## **8. Annual General Meeting**

The Committee Chairman shall attend the annual general meeting and be prepared to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

The Committee shall

- 1) Determine and recommend to the Board the remuneration policy for senior management and Directors including pension rights and compensation payments. Such agreed remuneration policy should have regard to relevant legal and regulatory requirements, the risk appetite of the Company and align with the Company's long term goals.
- 2) Review the agreed remuneration policy to determine its ongoing appropriateness and relevance.
- 3) Within the terms of the agreed remuneration policy and in consultation with the Chairman and/or CEO as appropriate, determine the total individual remuneration package of each executive director and other senior executives including bonuses, incentive payments and share options or other share awards.
- 4) Annually review and approve the corporate goals and objectives applicable to the compensation of the person performing the duties of a chief executive officer (the "CEO"); lead the entire Board in an annual evaluation of the CEO's performance in light

of those goals and objectives and recommend to the Board the CEO's compensation based on this evaluation. In determining the long-term incentive component of the CEO compensation, the Committee will consider:

- a) The level of communication on the Company's performance to the Board and his responsiveness to questions/clarifications; communication of relevant information to shareholders, regulators and other relevant stakeholders;
- b) The monitoring of the contractual arrangements for the management of the Company's portfolio;
- c) Compliance with statutory and regulatory commitments of the Company and the ability to quickly resolve problems arising either with respect to the management agreement, statutory reporting requirements or other corporate governance and compliance issues.

The CEO must not be present during any voting or deliberations by the Committee on his or her compensation.

- 5) Approve and determine the targets for any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- 6) Ensure that contractual terms on employment 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) Annually review and note the remuneration trends across the Company or group.
- 8) Approve any major changes in employee benefits structures throughout the Company or group.
- 9) Ensure that all regulatory provisions relating to disclosure of remuneration, including pensions, are fulfilled.
- 10) Be solely responsible for establishing the selection criteria - selecting, appointing and setting the terms of reference for any remuneration consultants engaged to advise the Committee in the carrying out of its role.
- 11) Obtain reliable, up-to-date information on remuneration in other companies and to commission any reports or surveys which the Committee deems necessary to help fulfil its obligations.

## **10. Reporting Responsibilities**

- 1) The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 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
- 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.

## **11. Other**

The Committee shall, at least once in each year, review its own performance, 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 shall have power to regulate its own proceedings and adopt such procedural rules as it deems fit.

## **12. Authority**

- 1) The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties
- 2) In connection with its duties, the Committee is authorised by the Board, at the Company's expense to (a) obtain any outside legal or other professional advice and (b) within any budgetary restraints imposed by the Board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

Revised Charter approved by the Committee on October 10, 2018

Final Approval received from the Board on January 9, 2019