

**Ashmore Group plc**  
**(the "Company")**

**Remuneration Committee - Terms of Reference**

The Board of the Company (the "**Board**") resolved to establish a committee of the Board known as the Remuneration Committee (the "**Committee**") These are the terms of reference for the Committee approved at a Board meeting held on 21 August 2008 (as amended).

**Membership**

The Committee shall consist exclusively of not less than three independent non-executive directors appointed by the Board. Each member of the Committee shall be free from any relationship that may interfere with the exercise of his or her judgment as a member of the Committee.

The chair of the Committee shall be appointed by the Board but shall not be the chair of the Board. The chair of the Committee should have served on a remuneration committee for at least 12 months before taking the chair. In the absence of the chair and/or an appointed deputy the remaining members shall elect one of themselves to chair the meeting. Members of the Committee shall be appointed by the Board, on the recommendation of the nomination committee and in consultation with the chair of the remuneration committee. The chair of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as chair.

Only members of the Committee have the right to attend Committee meetings. However, other individuals may be invited to attend for all or part of any meeting. The Company's head of human resources and chief executive officer shall normally attend meetings of the Committee. The company secretary or his nominee shall act as the secretary of the Committee ("**Secretary**") and shall normally attend meetings.

**Procedure**

*Quorum*

The quorum for meetings of the Committee shall be two members present in person or by Telephone or video conference. 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. No director should be present when his or her own remuneration is being discussed.

*Operation*

The Committee shall meet at such times as may be necessary and meet at least twice a year. The frequency of, and attendance by members at, Committee meetings shall be reported by the

Committee in the Company's annual report.

### *Notice*

Notice of meetings of the Committee shall be issued by the Secretary of the Committee at the request of any of its members. 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 or invited to attend and all other non-executive directors, 5 working days before the date of the meeting or as early as practicable, bearing in mind the need to allow members sufficient time to read the papers prior to the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### *Interests*

Each member of the Committee shall disclose to it:

- any personal financial interest (other than as a shareholder) in any matter to be decided by the Committee; or
- any potential conflict arising from a cross-directorship or other conflict situation except where these have previously been disclosed..

Any such member who, in the opinion of the chair of the Committee is conflicted shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in discussions concerning such resolutions.

### *Reporting*

The Secretary shall keep minutes of the proceedings of all Committee meetings, including the names of those present and in attendance. The secretary shall ensure that the first item on the agenda of any meeting is the disclosure of any conflicts of interest and shall record in the minutes any conflicts disclosed. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so. Copies of minutes provided to a member who is conflicted may be redacted.

The Committee chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall oversee the production of an annual directors' remuneration report to include a statement by the chair of the Committee and a report on the implementation of the Company's remuneration policy in the relevant financial period (the implementation report), which together will

form part of the Company's annual report. The Committee shall ensure that the implementation report is put to an advisory vote of shareholders annually and the Company's remuneration policy is put to a binding vote of shareholders every three years or more frequently where required. The Committee shall make available the Committee's terms of reference on request and display them on the Company's website.

The chair of the Committee shall attend the annual general meeting of the Company prepared to respond to any shareholder questions on the Committee's activities.

## **Duties**

The Committee shall:

- determine, and agree with the Board the framework or broad policy for, the remuneration of the Company's chair, the executive directors, the Operating Committee, employees categorised as Code or Identified staff under the FCA's Remuneration Codes including the senior officers in the control functions overseeing AIML and AIAL, the company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the chair and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- in determining such policy, take into account all factors which it deems necessary. 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. The Committee shall ensure that remuneration policies and practices are transparent, avoid complexity, support strategy and promote long-term sustainable success, whilst being compatible with the Company's risk policies and systems, taking into account the long-term interests of shareholders, investors and other stakeholders in the Company;
- review the remuneration of the Group's workforce (and any related policies) including how executive remuneration aligns with that of the workforce and how workforce incentives support the culture of the Group.
- review the ongoing appropriateness and relevance of the remuneration policy;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Company, ensuring that performance conditions are stretching and designed to promote the long-term success of the Company, and approve the total annual payments made under such schemes;
- 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 executive directors and the performance targets to be used.

- The Committee shall ensure that a significant proportion of executive directors' remuneration is structured so as to link rewards to corporate and individual performance;
- determine the policy for, and scope of, pension arrangements for each executive director;
- 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;
- within the terms of the agreed policy and in consultation with the chair and/or chief executive as appropriate, determine the total individual remuneration package of each executive director, each employee categorised as Code or Identified staff under the FCA's Remuneration Codes including the senior officers in the control functions overseeing AIML and AIAL and the company secretary, including bonuses, incentive payments and share options or other share awards;
- in determining, maintaining and periodically reviewing (at least annually) the remuneration policy and individual remuneration packages and arrangements, give due regard to any relevant legal and regulatory requirements, the provisions and recommendations in the UK Corporate Governance Code, the FCA Remuneration Codes which are applicable to the Company and the FCA's Listing, Prospectus and Disclosure and Transparency Rules and associated guidance;
- agree, maintain and periodically review (at least annually) a list of FCA Code and Identified Staff (as described in the FCA's Remuneration Codes) to ensure the correct individuals are identified and their remuneration structures are reviewed for compliance with the FCA Remuneration Codes;
- review and note annually the remuneration trends across the Company or group;
- oversee any major changes in employee benefits structures throughout the Company or group;
- ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

- obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations;
- develop and maintain a formal policy for Executive Director post-employment shareholding requirements;
- ensure that remuneration schemes and policies reserve discretion for the Committee to override formulaic outcomes; *and*
- ensure that there is effective engagement with shareholders to ensure that their views on remuneration are well understood.
- The Committee shall ensure that:
  - i. compensation commitments in directors' terms of appointment do not reward poor performance and enable the company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so; *and*
  - ii. in determining executive director remuneration policy and practices the clarity, simplicity, predictability and proportionality of the arrangements are considered.

### **Self-review**

The Committee shall, at least once a 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 for Board approval.

### **Authority**

The Committee is authorised by the Board to seek any information or assistance it requires from any employee of the Company in order to perform its duties.

In connection with its duties the Committee is authorised by the Board, at the Company's expense:

- (i) to obtain any outside legal or other professional advice on any matters within its terms of reference; and
- (ii) 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.