



# **Terms of Reference Compensation Committee (CC)**

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## 1. Membership / Organization

The CC members are appointed by the General Meeting of Shareholders in accordance with the Articles of Association. The General Meeting of Shareholders may remove individual members at any time. The quorum shall be 2 members. Resolutions of the CC shall be adopted by a majority of the votes cast. The Chair shall have the casting vote. The Company Secretary or the *Global Head of Total Reward* shall act as Secretary of the CC.

## 2. Meetings / Minutes

The CC meets as often as necessary, but at least three times a year.

The Chair shall review the agenda in advance of each meeting.

Meetings may be held by phone, videoconference or by circular resolution.

The CC may request members of the Executive Committee or any other person to attend a CC meeting or to make presentations.

The minutes taken by the Secretary shall be distributed to the CC members and are available for inspection by all Board members.

## 3. Duties

In addition to the duties set out in the Articles of Association, the CC has the following duties:

- To approve compensation practices, policies and procedures that relate to Executive Committee and other employees of the Temenos group.
- To review and recommend to the Board of Directors the applicable performance targets and the compensation levels.
- To review the competitiveness of Temenos' executive compensation programs:
  - to ensure the attraction and retention of members of the Executive Committee to achieve Temenos' business objectives.
  - to align the interests of key management to the long-term interests of Temenos.
- To review and approve recommendations from the CEO on compensation packages for members of the Executive Committee.
- To make recommendations to the Board of Directors on total compensation for executive directors and members of the Executive Committee.

## 4. Reporting

The Chair of the CC shall report CC activities to the Board on its proceedings after each meeting when and with such recommendations as deemed appropriate or required.

## 5. Performance evaluation

The CC shall annually review those terms of reference with special focus on compliance with Swiss and international best practice and recommend any proposed changes to the Board for approval.

**Approved by the Compensation Committee on 12 February 2014 and ratified by the Board of Directors on 13 February 2014.**

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