
OPERATING POLICIES AND PROCEDURES

Chapter 10

Remuneration Policy and Procedures

1 September 2013

1. Policy

1.1 This Remuneration Policy and Procedures applies to directors and employees of PIDG Companies only and reflects the PIDG's objectives for good corporate governance as well as ensuring that its twin aims of alleviating poverty and being accountable for the use of public funds are sustained.

1.2 This Remuneration Policy and Procedures does not apply to the directors and employees (or equivalent) of the Trustees; nor the directors and employees (or equivalent) of the provider of the PMU services; nor the directors and employees (or equivalent) of any third-party service provider responsible for delivering the core activities of a PIDG Company when acting in relation to that PIDG Company, all of whose remuneration shall be determined by their employer.

1.3 This ensures that

- The PIDG Companies are able to attract, develop and retain high-performing and motivated directors (and where approved by the funding PIDG Members, employees) in a competitive international market
- Directors (and employees) are offered an appropriate level of remuneration in line with the principles of remuneration set out in the Code of Conduct
- Directors (and employees) feel encouraged to create sustainable results and that a link exists between the PIDG Members' and the directors' (and employees) objectives
- The PIDG Members' focus areas are supported

1.4 The policy focuses on ensuring sound and effective risk management through:

- A stringent governance structure for setting objectives and communicating these objectives to directors (and employees)
- Including both financial and non-financial goals in performance and result assessments
- Making fixed salaries the basis of remuneration for employees unless otherwise approved by the funding PIDG Members.

2. **Procedures**

- 2.1 The PMU shall review remuneration levels for directors of PIDG Companies on behalf of the PIDG Members every three years and shall present the results of their review and their recommendation to the PIDG Members for approval, after consultation with the Appointment Committees of the PIDG Companies. Such review shall be carried out to ensure that the fees are commensurate with the market, current time commitments and responsibilities of each role, taking into account the activities of the PIDG Companies.
- 2.2 The remuneration of the directors of PIDG Companies takes the form of an annual fee agreed by the PIDG Members. Directors of PIDG Companies shall not receive any incentive payments. Expenses shall be reimbursed in accordance with the PIDG Facility's Travel and Expenses Reimbursement Policy and Procedures. The minimum standard for a PIDG Facility's Travel and Expenses Reimbursement Policy and Procedures is set out in Chapter 11 of the PIDG OPPs.
- 2.3 The current levels of remuneration of the directors of PIDG Companies:
- Chairperson of Board of Non-executive Directors - £33,000
 - Other Non-executive Director - £18,672
- 2.4 The remuneration of any senior employees (e.g managing director, executive director, chief operating officer, chief finance officer, senior counsel) of a PIDG Company shall be agreed by the Board of each PIDG Company in consultation with the funding PIDG Members and in accordance with the policy set out in this Remuneration Policy and Procedures.
- 2.5 The remuneration of any junior employees shall be agreed by the Board of each PIDG Company in accordance with the policy set out in this Remuneration Policy and Procedures.