

**Adopted by the Directors  
of GLOBALTRANS INVESTMENT LTD  
Resolution of 11 March 2008**

**GLOBALTRANS INVESTMENT  
LTD**

**TERMS OF REFERENCE**

**REMUNERATION COMMITTEE**

## TABLE OF CONTENTS

<b>1. GENERAL PROVISIONS .....</b>	<b>3</b>
ARTICLE 1 REGULATIONS ON THE REMUNERATION COMMITTEE .....	3
ARTICLE 2 OBJECTIVES OF THE REMUNERATION COMMITTEE .....	3
<b>2. COMPOSITION OF THE REMUNERATION COMMITTEE.....</b>	<b>3</b>
ARTICLE 3 GENERAL REQUIREMENTS TO THE STRUCTURE OF THE REMUNERATION COMMITTEE .....	3
<b>3. RESPONSIBILITIES OF THE REMUNERATION COMMITTEE .....</b>	<b>3</b>
ARTICLE 4 RIGHTS OF THE REMUNERATION COMMITTEE .....	3
ARTICLE 5 DUTIES OF THE REMUNERATION COMMITTEE .....	4
ARTICLE 6 ELECTION AND TERMINATION OF THE MEMBERS OF THE REMUNERATION COMMITTEE.....	4
ARTICLE 7 DUTY OF THE OFFICERS OF THE COMPANY TO COMPLY WITH THE REQUESTS OF THE MEMBERS OF THE REMUNERATION COMMITTEE .....	5
<b>4. CHAIRMAN OF THE REMUNERATION COMMITTEE .....</b>	<b>5</b>
ARTICLE 8 ELECTION AND TERMINATION OF THE CHAIRMAN OF THE REMUNERATION COMMITTEE .....	5
ARTICLE 9 DUTIES OF THE CHAIRMAN OF THE REMUNERATION COMMITTEE .....	5
<b>5. REMUNERATION OF THE MEMBERS OF THE REMUNERATION COMMITTEE.....</b>	<b>6</b>
ARTICLE 10 REMUNERATION TO THE MEMBERS OF THE REMUNERATION COMMITTEE .....	6
<b>6. MEETING OF THE REMUNERATION COMMITTEE .....</b>	<b>6</b>
ARTICLE 11 CONVOCAION OF THE MEETING OF THE REMUNERATION COMMITTEE.....	6
ARTICLE 12 PLACE AND TIME OF THE MEETING OF THE REMUNERATION COMMITTEE.....	7
ARTICLE 13 MINUTES OF THE MEETING OF THE REMUNERATION COMMITTEE.....	7
<b>7. EVALUATION OF THE OPERATIONS OF THE REMUNERATION COMMITTEE.....</b>	<b>7</b>
ARTICLE 14 EVALUATION OF THE OPERATIONS OF THE REMUNERATION COMMITTEE AND INDIVIDUAL MEMBERS.....	7
<b>8. DISCLOSURE OF INFORMATION ABOUT THE REMUNERATION COMMITTEE .....</b>	<b>8</b>
ARTICLE 15 DISCLOSURE OF INFORMATION ON THE REMUNERATION COMMITTEE'S ACTIVITIES IN THE ANNUAL REPORT .....	8

## **1. GENERAL PROVISIONS**

### **Article 1 Regulations on the Remuneration Committee**

- 1.1 These Terms of reference (hereinafter *Terms*) shall, in accordance with the legislation of Cyprus, UKLA's listing rules and the Articles of association of GTI Ltd (hereinafter *Company*), describe the Remuneration Committee activities, rights and duties of the members of the Remuneration Committee, the nomination and remuneration of its members and other matters related to the operations of the Remuneration Committee.
- 1.2 The Company strives to comply with generally accepted principles of corporate governance which is reflected in these Terms.
- 1.3 These Terms may be amended, when required, which is subject to approval by the Board of Directors.

### **Article 2 Objectives of the Remuneration Committee**

- 2.1. The Remuneration Committee is a committee of the Board of Directors which assists the Board of Directors in discharging its corporate governance responsibilities in relation to remuneration of all Executive Directors and the Chairman of the Board of Directors. The main objective of the Remuneration Committee is to determine the framework and policy for the remuneration of the Executive Directors, the Chairman of the Board of Directors and senior executives, and the specific remuneration of each Executive Director and the Chairman of the Board and any compensation payments.

## **2. COMPOSITION OF THE REMUNERATION COMMITTEE**

### **Article 3 General requirements to the structure of the Remuneration Committee**

- 3.1. The Board of Directors shall create, from among its members, the Remuneration Committee.
- 3.2. The number of members of the Remuneration Committee of the Company is established by appropriate resolution of the Board of Directors. The Remuneration Committee shall comprise at least two members.
- 3.3. The Chairman of the Remuneration Committee shall be elected and approved at the meeting of the Board of Directors.
- 3.4. The Chairman of the Board of Directors may also be a member of the Remuneration Committee, but not the Chairman of the Remuneration Committee.
- 3.5. No one other than the Remuneration Committee Chairman and members will be entitled as of right to attend or vote at a meeting of the Remuneration Committee. The Chairman of the Board of Directors may be invited to attend at the meetings of the Remuneration Committee to discuss the performance of the Executive Directors and senior executives, and to make remuneration proposals as appropriate.

## **3. RESPONSIBILITIES OF THE REMUNERATION COMMITTEE**

### **Article 4 Rights of the Remuneration Committee**

- 4.1. The member of the Remuneration Committee shall have the right to:
  - seek any information it requires from, or request the attendance at any of its meetings of, any Director or senior executive, and all employees are expected to cooperate with any request made by the Committee;
  - receive a fee for, and/or reimbursement of the expenses incurred by him/her in connection with, the discharge by him/her of his/her duties of the member of the Remuneration Committee in situations and in the amount stipulated by the appropriate resolution of the General Meeting of Shareholders;
  - review the minutes of the meetings of the Remuneration Committee and other collective governing bodies of the Company, and receive copies of such minutes;

- demand that his/her dissenting opinion on the matters on the agenda and resolutions approved be noted in the minutes of the meeting of the Remuneration Committee.
- 4.2. The delegation of the right to vote by any member of the Remuneration Committee to a third person, including another member of the Remuneration Committee/ the Board of Directors, shall not be allowed.

## **Article 5 Duties of the Remuneration Committee**

- 5.1. The Remuneration Committee shall:
- set remuneration for all Executive Directors, the Chairman of the Board of Directors, including pension rights and any compensation payments. The Remuneration Committee should consult the Chairman of the Board of Directors about their proposals relating to the remuneration of other Executive Directors;
  - recommend to the Board of Directors and monitor the level and structure of remuneration for senior management;
  - determine targets for any performance-related pay schemes for the Executive Directors, the Chairman of the Board of Directors and senior executives;
  - within the terms of the agreed remuneration framework, determine the total individual remuneration package of each Executive Director including, where appropriate, bonuses, incentive payments and share options;
  - ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company;
  - be aware of and advise on any major changes in employee benefit structures throughout the Company;
  - ensure that provisions regarding disclosure of the Remuneration Committee activities and Directors remuneration, including pensions, as set out in the Article 15 of the Terms, are fulfilled;
  - ensure that all provisions of the remuneration procedure, set out in the Terms of reference of the Board of Directors, are properly fulfilled;
  - be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Remuneration Committee;
  - make the Terms publicly available.
- 5.2. The Remuneration Committee should determine an executive remuneration policy which aims to provide a structured and balanced remuneration package for the Chairman of the Board of Directors, each Executive Director and senior executive. In determining the remuneration policy, the Committee will take into account the following factors:
- levels of remuneration should be sufficient to attract, retain and motivate the Chairman of the Board of Directors, Executive Directors and senior executives;
  - performance related elements of remuneration should form a significant proportion of the total remuneration package and have to be linked to corporate performance.
- The remuneration policy is to be included in annual remuneration report, which, in turn, is to be included in the annual report. Applicability of the remuneration policy for the next financial year and onwards is subject to discussion at the Annual General Meeting of Shareholders.
- 5.3. The Remuneration Committee shall work closely with the Nomination Committee to ensure that incentives are appropriately structured for Directors and for senior executives and the terms in the event of termination are carefully considered. The main objective is to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.

## **Article 6 Election and termination of the members of the Remuneration Committee**

- 6.1 New appointments to the Remuneration Committee shall be made by the Board of Directors based on recommendations of the Nomination Committee.
- 6.2 Appointments for independent members shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.

- 6.3 The Remuneration Committee shall annually review its own effectiveness and if necessary the Remuneration Committee Chairman will refer the question of termination of Remuneration Committee members' duties to the Nomination Committee for further consideration.

**Article 7 Duty of the officers of the Company to comply with the requests of the members of the Remuneration Committee**

- 7.1 Any Director and employee of the Company shall, if and when so requested by the member of the Remuneration Committee, furnish him/her with any information the Remuneration Committee requires in order to perform its duties to the extent permitted by the applicable legislation, with the exception of, *e.g.*, information about their private lives and information violating the right to privacy, family secrets, and secrets contained in their correspondence, telephone conversations, letters, telegraphs and other messages.
- 7.2 If it is impossible to furnish the member of the Remuneration Committee with the information requested by him/her, the above-mentioned persons shall forthwith prepare a motivated refusal and furnish it to the member of the Remuneration Committee in writing within three days following the date of the request.
- 7.3 Refusal to disclose information shall be communicated by the member of the Remuneration Committee to the Board of Directors.
- 7.4 The Company Secretary shall, if and when so requested by the member of the Remuneration Committee, grant to the latter access to information and an opportunity to make copies of documents and materials.
- 7.5 The agreements executed by and between the Company on the one hand, and a Director/ employee of the Company on the other hand, shall contain provisions stipulating liability for the failure to disclose information to the member of the Remuneration Committee.

**4. CHAIRMAN OF THE REMUNERATION COMMITTEE**

**Article 8 Election and termination of the Chairman of the Remuneration Committee**

- 8.1 The Chairman of the Remuneration Committee shall be elected from the members of the Board of Directors by a majority vote of the entire Board of Directors.
- 8.2 In the absence of the Chairman, the Remuneration Committee members present will elect one of them to chair the meeting.
- 8.3 The Board of Directors may at any time reelect the Chairman of the Remuneration Committee.
- 8.4 The Board of Directors may, based on personal evaluation results and recommendations of the Nomination Committee, whether make a recommendation to shareholders on the Remuneration Committee Chairman termination, or leave him in the Board, but terminate his duties as Remuneration Committee Chairman.

**Article 9 Duties of the Chairman of the Remuneration Committee**

- 9.1 The Chairman of the Remuneration Committee shall:
- organize the work of the Remuneration Committee, convene and chair its meetings, and ensure that minutes are maintained at all meetings of the Remuneration Committee;
  - be responsible for the preparation of the agendas of the meetings of the Remuneration Committee;
  - organize the proceedings at the meetings of the Remuneration Committee so that discussion of the matters on the agenda thereof be open, comprehensive, concise, representative of diverse points of view, and conducive to the approval of specific agreed resolutions;
  - organize development of efficient resolutions on the matters on the agenda and, if necessary, free discussion of the relevant issues, and ensure that the meetings of the Remuneration Committee are conducted in a supportive and constructive atmosphere;
  - ensure that all members of the Remuneration Committee receive accurate, timely and clear information;

- initiate development of draft resolutions on the matters under consideration;
  - ensure that the members of the Remuneration Committee continually update their skills and the knowledge and familiarity with the Company required to fulfill their role on the Remuneration Committee.
- 9.2 The Chairman of the Remuneration Committee shall attend the Annual General Meeting and be available to answer questions from shareholders regarding the Remuneration Committee's activities.
- 9.3 In the absence of the Chairman of the Remuneration Committee the person performing the functions of the Chairman of the Remuneration Committee in his/her absence may exercise any powers vested in the Chairman of the Remuneration Committee.

## **5. REMUNERATION OF THE MEMBERS OF THE REMUNERATION COMMITTEE**

### **Article 10 Remuneration to the members of the Remuneration Committee**

- 10.1 The Board of Directors shall determine the remuneration of the Non-Executive Directors, including members of the Remuneration Committee, and make appropriate recommendations on Directors' remuneration for further shareholders approval.
- 10.2 The General Meeting of Shareholders may, based on the Board of Directors recommendations, resolve that those members of the Board of Directors which are also the members of the Remuneration Committee shall be paid additional remuneration for the work performed by them during their terms in office and/or reimbursed for the expenses associated with discharge of their duties. The amount of such remuneration and reimbursement shall be established by resolution of the General Meeting of Shareholders.
- 10.3 The payment of such remuneration and reimbursement to the members of the Remuneration Committee shall constitute a separate matter on the agenda of the General Meeting of Shareholders.
- 10.4 Principles of the Remuneration Committee members' remuneration are the same as for the members of the Board of Directors (please, refer to Terms of Reference of the Board of Directors).

## **6. MEETING OF THE REMUNERATION COMMITTEE**

### **Article 11 Convocation of the meeting of the Remuneration Committee**

- 11.1 The Remuneration Committee shall meet at least once a year at the date determined in the schedule approved by the Board of Directors. The Remuneration Committee will meet at other times on the request of the Chairman of the Board of Directors or the Chairman of the Remuneration Committee.
- 11.2 For each meeting of the Remuneration Committee following items shall be determined:
- date, time and place of the meeting;
  - agenda of the meeting;
  - list of the matters to be put to the vote;
  - list of information (materials) to be furnished to the members of the Remuneration Committee prior to the meeting.
- 11.3 The agenda for the meetings will be determined by the Chairman of the Remuneration Committee, taking into account the views of other members of the Committee as appropriate. The agenda and supporting papers, unless otherwise agreed, will be circulated to each member of the Committee no fewer than four working days prior to the date of the meeting.
- 11.4 The quorum is at least two members of the Remuneration Committee.
- 11.5 The Chairman of the Remuneration Committee shall have a casting vote when the Remuneration Committee consists of more than two Directors.
- 11.6 When there are two members of the Remuneration Committee including the Chairman he/ she shall not have a casting vote. When the two Directors do not reach a single opinion the decision should be taken by the Board of Directors.
- 11.7 The Company Secretary or his or her nominee shall act as the Secretary of the Remuneration Committee.
- 11.8 The Company Secretary will also keep a record of the membership of and the dates of any changes to the membership of the Remuneration Committee.

11.9 All materials used for the meetings of the Remuneration Committee will be in English.

#### **Article 12 Place and time of the meeting of the Remuneration Committee**

- 12.1 The Directors shall use their reasonable efforts to ensure that, to the extent practicable, meetings of the Remuneration Committee shall be convened in Cyprus.
- 12.2 Provided it is agreed in writing by each member of the Remuneration Committee, meetings may be held through telephone conferences, though the members of the Remuneration Committee shall endeavor to keep such meetings to a minimum.
- 12.3 All members of the Remuneration Committee shall be notified of the convocation of the meeting of the Remuneration Committee in advance in order to enable them to properly organize their schedule.
- 12.4 If circumstances, which make it impossible or difficult to conduct the meeting of the Remuneration Committee in a place and/or at a time of which the members of the Remuneration Committee were notified, arise the meeting with the same agenda may be conducted in a different place and/or at a different time.
- 12.5 All members of the Remuneration Committee shall be notified of the change of place and/or time of the meeting of the Remuneration Committee by the Secretary on behalf of Chairman of the Remuneration Committee within the time reasonably sufficient to ensure their attendance. The notice of the aforementioned changes shall be delivered to the members of the Remuneration Committee in any form which guarantees receipt thereof at their physical or electronic addresses.

#### **Article 13 Minutes of the meeting of the Remuneration Committee**

- 13.1 The minutes of the meeting of the Remuneration Committee shall be prepared no later than seven days after the meeting and be signed by each member of Remuneration Committee as soon as reasonably possible. Circular resolutions shall be effective only if they are signed by each member of the Remuneration Committee. The minutes and circular resolutions (originals and/or copies) should be stored by the Secretary.
- 13.2 The minutes of the meeting of the Remuneration Committee shall contain the following information:
- full name of the Company;
  - date, place and time of the meeting;
  - persons attending the meeting;
  - persons who have furnished their written opinions on the matters on the agenda;
  - agenda of the meeting;
  - matters put to the vote, and the outcome of voting thereon;
  - resolutions approved.
- 13.3 The minutes of the Remuneration Committee shall be signed by the person chairing the meeting of the Remuneration Committee.
- 13.4 The Company shall ensure that the shareholders, the members of the Board of Directors, the members of the Remuneration Committee have access to the minutes of the meetings of the Remuneration Committee.

### **7. EVALUATION OF THE OPERATIONS OF THE REMUNERATION COMMITTEE**

#### **Article 14 Evaluation of the operations of the Remuneration Committee and individual members**

- 14.1 The operations of the Remuneration Committee and individual Directors shall be subject to annual evaluation.
- 14.2 The evaluation of the Remuneration Committee and individual Directors' performance shall be made through self-assessment and cross-assessment or by external third party.
- 14.3 The results of annual performance evaluation shall be communicated to the Chairman of the Board of Directors.

## **8. DISCLOSURE OF INFORMATION ABOUT THE REMUNERATION COMMITTEE**

### **Article 15 Disclosure of information on the Remuneration Committee's activities in the annual report**

- 15.1 A separate section of the annual report shall describe the work of the Remuneration Committee in discharging its responsibilities. This section shall include:
- description of role and composition of the Remuneration Committee;
  - description of the Remuneration Committee activities and information about the number of meetings of the Remuneration Committee and the Directors' attendance;
  - description of the performance evaluation process for the Remuneration Committee and its Directors (or cross refer to the Directors' Remuneration Report);
  - information about where an Executive Director serves as a Non-Executive Director elsewhere, whether or not the Director will retain appropriate earnings and, if so, what the remuneration is.
- 15.2 The Remuneration Committee shall prepare annual remuneration report, which is to be included in the annual report. Annual remuneration report shall set out the Company's remuneration policy on Executive Directors' remuneration and Non-Executive Directors' remuneration and include information about the levels of Directors' remuneration. The Board of Directors supplies the Remuneration Committee with all information concerning Non-Executive Directors' remuneration to include it in the annual remuneration report.