

**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**") and approved the following terms of reference for the Committee at a meeting held on 3 July 2006 (as amended at meetings held on 11 October 2006, 21 August 2008, 10 September 2009, 30 June 2010 and 22 February 2011).

**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 chairman of the Committee shall be appointed by the Board but shall not be the chairman of the Board. In the absence of the chairman 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 chairman of the remuneration committee. The chairman of the Board may also serve on the Committee as an additional member if he or she was considered independent on appointment as chairman.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the chief executive officer, directors appointed by the Company's principal shareholders and external advisers may be invited to attend for all or part of any meeting, as and when appropriate. 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.

Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

**Procedure**

*Quorum*

The quorum for meetings of the Committee shall be two members present in person or by telephone. 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*

Meetings of the Committee shall be called by the Secretary 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, no later than 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.

### *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.

Any such member 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 minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. 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.

The Committee chairman 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 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 of the Company.

The Committee shall make available the Committee's terms of reference on request and display them on the Company's website.

The chairman 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 chief executive, chairman, the executive directors, 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 chairman 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 incentives are compatible with the Company's risk policies and systems;
- 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 chairman and/or chief executive as appropriate, determine the total individual remuneration package of each executive director and company secretary, including bonuses, incentive payments and share options or other share awards;
- in determining 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 FSA Remuneration Code and the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and associated guidance;

- agree, maintain and periodically review (at least annually) a list of FSA Code Staff (as described in the FSA Remuneration Code) to ensure the correct individuals are identified and their remuneration structures are reviewed for compliance with the FSA Remuneration Code;
- 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; and
- 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.

#### **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.