

## MISYS PLC

### REMUNERATION COMMITTEE

#### TERMS OF REFERENCE

#### **1. Constitution**

The Board of Misys plc ("the Company") established the Remuneration Committee ("the Committee") as a committee of the Board. Its terms of reference were revised by a resolution of the Board passed on 20 July 2004 and further revised on 1 December 2005 by a sub-committee of the Board appointed on 2 November 2005.

#### **2. Membership**

2.1 The Committee shall consist of not fewer than three members, each of whom shall be appointed by the Board and be independent non-executive Directors.

2.2 The Board shall elect a Chairman of the meetings of the Committee. If no such Chairman shall have been appointed, or, if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, members present may choose one of their number to be Chairman for the meeting.

2.3 The Chairman of the Company shall not be eligible to be appointed as Chairman of the Committee.

2.4 The Committee members should preferably serve for a period of at least three years, subject to the retirement by rotation provisions of the Company's Articles of Association.

#### **3. Secretary**

3.1 The Company Secretary shall be the Secretary of the Committee.

3.2 The Group Human Resources Director shall provide support to the Committee, who, together with the Company Secretary, shall have independent access to the Chairman of the Committee.

#### **4. Quorum**

The quorum necessary for the transaction of the business of the Committee shall be two members. 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.

#### **5. Attendance at Meetings and Conflict of Interest**

5.1 The Chairman of the Company, the Chief Executive and any executive Director may attend Committee meetings by invitation of the Chairman of the Committee but shall not be present during that part of a meeting when his/her own remuneration package is discussed.

- 5.2 All non-executive Directors who are not members of the Committee shall also be entitled to attend Committee meetings, provided that they first notify the Chairman of the Committee of their intention to attend.
- 5.2 Other employees of the Company and external consultants and advisers may attend meetings by invitation of the Chairman of the Committee.

## **6. Frequency & Notice of Meetings**

- 6.1 Meetings shall be held at least once a year.
- 6.2 Meetings may be convened by any member of the Committee, or the Secretary of the Committee at the request of any such member.
- 6.3 Notice of meetings shall be given to the members of the Committee and to all other non-executive Directors.
- 6.4 Wherever possible, at least five days' notice of meetings shall be given.

## **7. Duties**

- 7.1 The duties of the Committee, on behalf of the Board, shall be to:
- 7.1.1 determine the remuneration package of the Chairman of the Company;
  - 7.1.2 determine the broad policy for the remuneration and incentivisation of the Chief Executive, the executive Directors and selected senior executives (the "Executive Body").
  - 7.1.3 determine the entire individual remuneration packages (which includes, for example, performance-related payments, the grant of share options and awards under any long term incentive plan) of the Executive Body.
  - 7.1.4 determine targets for any performance-related payments for the Chief Executive.
  - 7.1.5 determine the policy for and scope of termination payments, pension arrangements and service agreements for the Executive Body.
  - 7.1.6 in determining such packages and arrangements, give due regard to the comments and recommendations of the Combined Code (the "Code") as well as the rule books of the UK Listing Authority (the "Listing Rules") and associated guidance.
  - 7.1.7 report to the Board when non-compliance with the Code or the Listing Rules is recommended.
  - 7.1.8 report to the Company's shareholders by producing a Remuneration Report forming part of the Company's Annual Report and Accounts, outlining the Committee's remuneration policy and detailing compensation and benefits paid and payable to the Directors

7.2 The remuneration of non-executive Directors shall be a matter for the Board excluding the non-executive Directors.

## **8. Authority**

The Committee is authorised by the Board:

- 8.1 to seek any information it requires from any employee of the Company in order to perform its duties and may consult the Chairman of the Company and/or Chief Executive about their proposals;
- 8.2 in connection with the performance of its duties, to obtain outside legal or other independent professional advice (including the advice of independent remuneration consultants); to secure the attendance of external professional advisers at its meetings if it considers this necessary and to obtain reliable, up-to-date information about remuneration in other companies. The costs in relation to obtaining such advice shall be borne by the Company.

## **9. Minutes**

- 9.1 The members of the Committee shall ensure that a written record is kept of all resolutions and proceedings of the Committee, including the names of all those present and in attendance at meetings of the Committee.
- 9.2 The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee, to the Chairman and to the external auditors. Members of the Board not serving on the Committee have a right to see the agenda and minutes of Committee Meetings, provided there is no conflict of interest.

## **10. Accountability to Shareholders**

The Chairman of the Committee shall use best endeavours to attend the Company's Annual General Meeting to answer shareholders' questions on the Committee's activities and on the Remuneration Report contained in the Company's Annual Report and Accounts.