

Ryanair's Terms of Reference for the Remuneration Committee 2010

General Terms of Reference

These terms of reference provides the framework within which the Ryanair Holdings Remuneration Committee shall operate. It is periodically reviewed against best practice in the area of corporate governance and is amended as appropriate. The terms of reference is approved by the Board of Directors on an annual basis.

1. Membership

- Members of the committee shall be appointed by the Board, in consultation with the Chairman of the Remuneration Committee. The committee will comprise of not less than three members who are all independent non-executive directors of the company. The chairman of the Board may also serve on the committee as an additional member if he was considered independent on appointment as Chairman.
- Only committee members are entitled to attend meetings. The remuneration committee may invite such other persons (e.g. The Chairman, if not a member of the Committee, the Chief Executive and external advisors) to its meetings, as it deems necessary.
- Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the Director remains independent.
- The board of directors shall appoint the chairman. In the absence of the Committee Chairman the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.

2. Secretary

The company secretary or their nominee shall act as the secretary of the committee.

3. Quorum

A quorum of any meeting will 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.

4. Meetings

- A meeting shall be held at least once a year or at other times as appropriate.
- Meetings of the committee shall be summoned by the secretary of the Committee at the request of any of its members.
- During a reasonable period in advance of each meeting the secretary shall circulate the agenda and supporting documentation to the remuneration committee members.
- The secretary will also be responsible for distributing the minutes of meetings promptly to all members of the committee and to the chairman of the Board and, once agreed, to all other members of the Board, unless a conflict of interest exists.
- Members of the remuneration committee should participate in every meeting of the committee (either in person or via telephonic communications).
- The Chairman of the Committee shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities.

5. Duties of the Remuneration Committee

The duties of the Committee are as follows:

- To determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chief Executive, Chairman, the Company Secretary and such other members of executive management as it is designated to committee. The remuneration of non-executive Directors shall be a matter for the Chairman and the Chief Executive. 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;
- To review the ongoing appropriateness and relevance of the remuneration policy;
- to approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- To 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 other senior executives and the performance targets to be used;
- to determine the policy for, and scope of, pension arrangements for the Chief Executive and other senior management (as determined by the Board);
- to 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, determine the remuneration packages of the Chairman, Chief Executive and Senior Executives, including salary, bonuses, pension rights, incentive payments and share options. The Committee shall consult the Chief Executive about proposals relating to the remuneration of senior management.
- in determining such packages and arrangements, give due regard to the Company's Code of Dealing, any relevant legal requirements, the provisions and recommendations in the Combined Code, the Listing Rules of the Irish Stock Exchange and the UK listing Authority's Listing Rules and associated guidance;
- to oversee any major changes in employee benefits structures throughout the Company;
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- to report the frequency of, and attendance by members at, remuneration committees in the annual reports; and
- To make available the committee's terms of reference. These should set out the committee's delegated responsibilities and be reviewed and, where necessary, updated annually.

6. Reporting responsibilities

The Committee Chairman shall report formally 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 approve the report of the Company's remuneration policy and practices to be included in the Company's Annual Report. The Committee shall ensure that disclosure of remuneration, including pensions, is clear and transparent;

7. Authority

The board authorises the remuneration committee, within the scope of its responsibilities, to:

- Engage independent counsel and other advisers as it deems necessary to carry out its duties (the company shall provide appropriate funding for the compensation of advisors).
- Have unrestricted access to members of management, employees and relevant information.
- The Committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.