

REMUNERATION COMMITTEE

Terms of Reference

Membership

The Committee shall comprise not less than three independent non-executive directors.

The Chairman of the Committee shall be appointed by the Board.

The Board may from time to time appoint additional members to the Committee from among the non-executive directors it has determined to be independent and, subject to the Company's Articles of Association, such other persons as the Board considers to be independent.

The Committee may invite any director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective.

The Committee shall be supported by the Group General Manager, Human Resources (and such executives from Group Human Resources as he shall consider appropriate) and by the Committee Secretary who shall produce such papers and minutes of the Committee's meetings as are appropriate and circulate them to all members of the Committee.

The Committee is authorised by the Board to obtain such legal, remuneration or other professional advice as it shall deem appropriate and shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference of remuneration consultants to advise it on all aspects of remuneration.

Meetings and Quorum

The Committee shall meet with such frequency as it may consider appropriate. The Chairman of the Committee or in his absence another member of the Committee, shall give an oral report to the Board after each meeting.

The quorum for meetings of the Committee shall be two, one of whom should be the Committee Chairman, unless he is unable to attend due to exceptional circumstances.

Objective

The purpose of the Committee is to set the remuneration policy of the Group and the remuneration of those senior executives whose appointment requires Board approval.

Responsibilities of the Committee

1. Without limiting the generality of the Committee's objective, the Committee shall have the following responsibilities, powers, authorities and discretion:
 - (a) to determine the remuneration policy of the Company and its subsidiaries and to make recommendations to the Board on the Company's policy and structure for all remuneration and fees of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration as the Committee may consider appropriate;
 - (b) to give the Board such additional assurance as it may reasonably require regarding the Human Resources policies of the Group, particularly those governing the terms and conditions of employment, remuneration and retirement benefits which are fair and will attract and retain high calibre staff;
 - (c) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
 - (d) to review and sanction new or amended salary, incentive bonus and retirement benefit policies for the Company and its subsidiaries which are substantial in their cost and impact on a significant proportion of employees;
 - (e) to review and sanction all proposals for employee share plans and phantom or restricted share plans for the Company and its subsidiaries (prior to referral to shareholders);
 - (f) to review and sanction proposals for new or amended policies on redundancy and early retirement;
 - (g) to review and sanction proposals for new or amended retirement benefit policies and the associated funding arrangements for the Company and its subsidiaries and to approve significant changes in funding requirements and all unfunded liability arrangements;
 - (h) to ensure that no Director or any of their associates is involved in deciding their own remuneration;
 - (i) to review and endorse the content of the Directors' Remuneration Report in the annual report and accounts for submission to the Board as a whole;
 - (j) to agree the policy for authorising claims for expenses from the Group Chairman and the Group Chief Executive; and
 - (k) to review the powers, duties and responsibilities of similar committees of any subsidiary company.

2. the Remuneration Committee has the following specific responsibilities for those executives whose appointment requires Board approval, namely to approve;
 - (a) overall market positioning of the remuneration package;
 - (b) individual base salaries and increases;
 - (c) annual and long-term incentive/bonus arrangements;
 - (d) benefit entitlements (including pension arrangements);
 - (e) service contracts; and
 - (f) termination arrangements.

The Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

The Committee shall review and approve, for those executives whose appointment requires Board approval, the compensation payable in connection with any loss or termination of office or appointment and compensation arrangements relating to the dismissal or removal for misconduct to ensure that such compensation or arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise fair, reasonable, appropriate and not excessive.

3. to undertake on behalf of the Chairman or the Board such other related tasks as the Chairman or the Board may from time to time entrust to it.
4. to review annually the Committee's terms of reference and its own effectiveness and recommend to the Board any necessary changes.