

REMUNERATION COMMITTEE TERMS OF REFERENCE

General statement

The Remuneration Committee, after consultation with the Chairman and Chief Executive, makes recommendations to the Board on the policy on Executive Directors' remuneration and specifically approves the detailed terms of service (using this expression in its widest sense) of the Executive Directors and of the Company Secretary in accordance with such policy. In respect of the Executive Directors the Committee shall also determine the terms upon which such service is terminated having regard to the severance policy adopted by the Board from time to time. The Committee is also responsible for determining the fees of the Chairman.

The Committee Chairman shall report formally to the Board on its proceedings after each Committee meeting on matters discussed at the meeting.

The Committee shall review annually its terms of reference and its effectiveness and shall recommend to the Board any changes required as a result of such a review.

Composition and attendance at meetings

The Remuneration Committee shall comprise at least three Non-Executive Directors (all of whom shall be deemed by the Board to be independent of management). Members of the Committee shall be appointed by the Board upon the recommendation of the Nominations Committee in consultation with the Chairman of the Remuneration Committee. The Chairman of the Committee shall be appointed by the Board upon the recommendation of the Nominations Committee. The Committee shall operate with a quorum of three. The Company Secretary shall be in attendance at meetings.

No person other than the members of the Committee is entitled to be present at meetings but non-members may be invited by the Committee to attend. However, no Director nor the Company Secretary shall be present when the Committee considers matters relating to himself or herself and in any event shall not act in matters relating to himself or herself.

Frequency of meetings

The Committee shall meet when required, usually on the day of Board meetings.

Access to external advice

The Committee shall have access to such information and advice, at the cost of the Company, both from within the Group and externally, as it deems necessary. The Committee is responsible for appointing any consultants in respect of Executive Directors' remuneration.

REMUNERATION COMMITTEE (cont'd)

Responsibilities

- (a) Advising the Board on the general policy on Executive Directors' remuneration and preparing for approval by the Board the annual report to the shareholders on Directors' remuneration.
- (b) Dealing in all respects with:
 - (i) the terms of service of the Executive Directors and the Company Secretary including their remuneration, benefits, service agreements and pensions in accordance with a remuneration policy which is approved by the Board, in particular:
 - reviewing all aspects of the short term variable remuneration of the Executive Directors and the Company Secretary;
 - reviewing market practice on notice periods under Executive Directors' and Company Secretaries' service agreements;
 - considering the pension consequences of, and where relevant the money purchase pension contribution payable by the Company relating to, proposed increases in basic salaries of Executive Directors and the Company Secretary; and
 - (ii) the termination of the employment of the Executive Directors in accordance with a severance policy determined by the Board upon the recommendation of the Committee.
- (c) Dealing with all matters that fall to be dealt with by the Committee in relation to the Group's short and long term incentive arrangements.
- (d) Determining the fees of the Chairman.*
- (e) Recommending to the Chief Executive and monitoring the level and structure of the remuneration, benefits and pensions of those senior management grades below Board level determined by the Board from time to time.

* Note: The fees of the other Non-Executive Directors and any separate fees to be paid to the chairmen of committees are to be determined by the Board upon the recommendation of the Chairman and Chief Executive.