



Remuneration Committee - Terms of Reference

The following Terms of Reference govern the operation of the Remuneration Committee and have been approved by the Board of Directors. References within these Terms of Reference to the “Committee” mean the Remuneration Committee.

1. Membership

1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Succession Committee in consultation with the Chairman of the Remuneration Committee. The Committee shall comprise of at least three independent Non Executive Directors.

1.2 In addition to appointed members, the Chairman may invite other persons to attend all or part of any meeting such as the Group Chief Executive and the Head of Group HR.

1.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for no more than one further three year period. Membership of the Committee will be reviewed each year by the Nomination and Succession Committee in consultation with the Remuneration Committee Chairman to ensure that an appropriate balance is maintained between continuity and fresh perspectives. Changes as required will be recommended to the Board at that time.

1.4 The Committee Chairman who will be an independent Non Executive Director will be appointed by the Board on the recommendation of the Nomination and Succession Committee. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Secretary

2.1 The Group Company Secretary or his/her nominee as agreed with the Chairman shall act as Secretary of the Committee.

3. Quorum

3.1 The quorum for meetings shall be three members.

4. Meetings

4.1 The Committee shall meet at least twice a year and at such other times as the Chairman of the Committee considers necessary or appropriate.

4.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of its members.

5. Annual General Meeting

5.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee’s activities.

6. Duties

The Committee shall:

6.1 determine and recommend to the Board appropriate remuneration policies including pension arrangements for the Chief Executive, Executive Directors, Company Secretary and key senior management, as defined by the Board from time to time.

6.2 within the terms of the agreed policy determine the total individual remuneration packages for the Group's Chief Executive, Chairman, the Executive Directors (in consultation with the Chief Executive), 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 in consultation with the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;

6.3 review the ongoing appropriateness and relevance of the remuneration policy;

6.4 approve the design of, and determine targets for, any performance related pay schemes operated by the company;

6.5 review the design of all share incentive plans for approval by the Board and shareholders;

6.6 ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Group, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

6.7 oversee any major changes in employee benefits structures throughout the Group;

6.8 agree the policy for authorising claims for expenses from the Chief Executive and Chairman;

6.9 ensure that all relevant statutory and Listing Rule provisions are complied with and in that regard, review and approve the report on Directors Remuneration and Interests to be included in the Annual Report and Accounts ensuring that all provisions regarding disclosures are fulfilled.

6.10 appoint as the Committee sees fit, remuneration consultants to assist the Committee in the discharges of its duties.

Reporting responsibilities

6.11 The Chairman will report formally to the Board on the key aspects of its proceedings after each meeting and the minutes of the Committee, when approved by the Committee should be circulated to the Board, for noting or discussion at its next meeting.

6.12 The Committee shall compile a report to shareholders on its own activities to be included in the Company's Annual Report and Accounts.

7 Other matters

The Committee shall:

7.1 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 to the Board for approval.

8. Authority

The Committee is authorised:

8.1 to seek any information it requires from any employee of the company in order to perform its duties; and

8.2 to obtain at the company's expense, any outside legal or professional advice in connection with its duties.

19th November 2007