

Remuneration Committee

The Remuneration Committee is headed up by Stephen Burke (pictured right), who is the Committee's Chairman, with the independent Non-Executive Directors Ric Piper and Rudi Kindts as the other members.

Key responsibilities:

- Determining and agreeing with the Board the remuneration policy for the Chief Executive Officer, Chief Financial Officer, Chairman and Senior Executives
- Approving the design of, and determining targets for, an annual performance-related pay scheme for the Executive Directors and Senior Executives
- Reviewing the design of share incentive plans for approval by the Board and shareholders, and determining the annual award policy to Executive Directors and Senior Executives under existing plans
- Within the terms of the agreed policy, determining the remainder of the remuneration packages (principally comprising salary and pension) for each Director and Senior Executive
- Reviewing and noting remuneration trends across the Group



Full Remuneration Committee Terms of Reference (Updated by the Board on 08 March 2012)

The primary purpose of Remuneration Committee is to make recommendations to the Board on the Company's framework or broad policy for Executive Remuneration and its costs. The Committee shall also have delegated responsibility for determining the remuneration and benefits of executive directors, the Chairman, the Company Secretary and certain senior executives.

1. MEMBERSHIP

- (a) Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Audit Committee. The Committee shall be made up of at least two members. The Members of the Committee appointed by the Board as at 1st August 2006 are Stephen Burke (Chairman) and Ric Piper. Rudi Kindts was appointed to the Committee on 7th March 2012.
- (b) All members of the Committee shall be independent non-executive Directors, at least one of whom shall have recent and relevant financial experience.
- (c) Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman, Chief Executive Officer, Chief Financial Officer, other Directors and members of senior management may be invited to attend all or part of any meeting as and when appropriate.
- (d) 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.
- (e) The Board shall appoint the Committee Chairman who shall be an independent non-executive Director. 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. The Chairman of the Committee appointed by the Board as at 1st August 2006 is Stephen Burke.
- (f) The Company Secretary or their nominee shall act as the Secretary of the Committee.

2. MEETINGS

- (a) The Committee shall meet at least once a year at appropriate times in the reporting cycle and otherwise as required.
- (b) The quorum necessary for the transaction of business shall be two members.
- (c) Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.
- (d) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive

Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate and in any event no later than five working days before the date of the meeting.

- (e) The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- (f) The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- (g) Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.
- (h) The Chairman of the Committee shall attend the Annual General Meeting ('AGM') prepared to respond to any shareholder questions on the Committee's activities.

3. AUTHORITY

The Committee is authorised:

- (a) to seek any information it requires from any employee of the Group in order to perform its duties;
- (b) to obtain, at the Group's expense, outside legal or other professional advice on any matter within its terms of reference; and
- (c) to call any employee to be questioned at a meeting of the Committee as and when required.

4. DUTIES

The Board authorises the Remuneration Committee to investigate any matter within its terms of reference and seek any information it requires from any employee.

The Remuneration Committee shall not discuss, or pass resolutions in respect of, the remuneration of, or the terms of any consultancy agreement with, any Non-Executive Director which shall be a matter for the Board itself, subject to the provisions of the Articles of Association of the Company.

The Committee shall have due regard to the comments and recommendations of the Combined Code as well as the UK Listing Authority's Listing Rules and associated guidance, in carrying out the following:

a) Responsibilities and powers:

- i) to determine, in respect of the executive directors and certain other senior executives as may be decided by the Board in consultation with the Committee, all matters relating to:
 - (1) remuneration, including bonuses and long term incentives that will attract, retain and motivate Executive Directors of the quality required;
 - (2) targets for any performance-related pay schemes, ensuring that these form a significant proportion of the total remuneration package;
 - (3) pension benefits;
 - (4) grants of share options or awards;
 - (5) terms and conditions of employment including the directors' car policy; and
 - (6) payments on termination of employment (ensuring 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);
 except that no director or manager should be involved in any decisions as to their own remuneration;
- ii) to exercise of the powers of the Board in relation to:-
 - (1) any employee share arrangements:
 - amending or varying such arrangements in accordance with such provisions as the Committee may deem appropriate;
 - approving new share arrangements; and
 - granting entitlements and options;
 - (2) any long term incentive arrangements:

- amending or varying such arrangements however the Committee may deem appropriate;
 - approving new arrangements; and
 - granting entitlements and if appropriate to include the granting or purchase of shares as part of such arrangements;
- (3) pension arrangements and other similar employee benefits of the Company and its subsidiaries whether currently in force or to be adopted including the approval of any changes to the rules of such arrangements;
- iii) to be aware of and advise as necessary on any major changes in employee benefit structures throughout the Group;
 - iv) to review and judge the market comparator peer group of the Company and where to position the Company relative to that peer group;
 - v) to ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the Code, are fulfilled;
 - vi) 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;
 - vii) to report the frequency of, and attendance by members at, Remuneration Committee meetings in the Annual Report;
 - viii) to make the Committee's terms of reference publicly available;
 - ix) to ensure that the Chairman (or other member of the Remuneration Committee) of the Remuneration Committee is available to answer questions on directors' remuneration principles and practice at the Annual General meeting of the Company;
 - x) to approve, execute or give effect to all documents (including service contracts), deeds, acts and things that the Remuneration Committee may consider necessary or desirable in connection with or in relation to any of the foregoing matters; and
 - xi) To give the Executive Directors every opportunity to enhance the Company's performance and to ensure that the senior management of the Company are fairly, but responsibly, rewarded for their individual contributions.
 - xii) Terms of reference and performance are to be reviewed annually.

b) Reporting Responsibilities

- i) The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- ii) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- iii) The Committee shall compile a report to shareholders on its activities to be included in the company's Annual Report.

c) Other Matters

The Committee shall:

- i) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- ii) give due consideration to laws and regulations, the provisions of the Combined Code and the requirements of the UK Listing Authority's Listing Rules as appropriate;
- iii) oversee any investigation of activities which are within its terms of reference and act as a court of the last resort; and
- iv) 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.