

Finance and Administration Document

Revision Date: 30/09/2008
Issue Date:
Replaces: 07/09/2006

SUBJECT:

Terms of reference for the Remuneration Committee

Purpose:

To set out the terms of reference for the Remuneration Committee.

Terms of Reference

1 Membership

- The Committee shall consist of at least 2 non-executive Directors. A quorum shall be two members.
- The chairman of the Committee shall be a non-executive Director who is not the Chairman of the Board.
- The members of the Committee shall be re-elected each year by the Board and a member of the Committee can be removed by the Board at any time.

2 Attendance at meetings

- Board members shall have the right to attend meetings but no director may be present when his or her own remuneration is being discussed.
- The Company Secretary shall be the Secretary to the Remuneration Committee.

3. Frequency of meetings

- Meetings shall be held not less than once a year.
- A meeting may also be requested at any time by the Chairman of the Board, by any member of the Committee who considers that one is necessary and by any member of the board if approval is given by the Chairman of the Board.

4 Authority

- The Committee is authorised by the Board to investigate any activity within its terms of reference.
- The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

3 Role and Responsibilities

The Remuneration Committee has responsibility to:

- determine and agree with the Board the framework or broad policy for the remuneration of the executive directors of the Company and any subsidiary undertaking
- set remuneration for all executive Directors and the Company Secretary; recommend and monitor the level and structure of remuneration for senior management (remuneration includes salary, performance related bonus, share options, pension and any other benefits)
- consider and make recommendations to the Board upon the terms of any share option or incentive scheme, ESOP, profit sharing scheme or scheme for profit related pay (whether for the benefit of executive directors or others employed by the Company or any subsidiary undertaking)
- be aware of and advise on any major changes in employee benefit structures within the Company or any subsidiary undertaking
- agree the policy for authorising claims for expenses from the Chief Executive and Chairman
- consider any other matter referred to it by the board or the Chairman of the board.
- make available the Committee's terms of reference which should be reviewed and, where necessary, updated annually

6. Reporting Procedures

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

7. Remuneration for non-executive Directors

The remuneration for non-executive Directors will be determined by the executive Directors and will be approved by the Board.