

REMUNERATION COMMITTEE



Margaret Rice-Jones
Chairman of the Remuneration Committee

Governance

The Remuneration Committee is appointed by the Board from the Non-Executive Directors of the Company. The Chairman of the Committee is Margaret Rice-Jones. The Chief Executive Officer and Chief Human Resources Officer attend meetings by invitation, except when their own remuneration package is being discussed. The written terms of reference of the Committee are available on request from the Company Secretary.

Responsibilities

The Remuneration Committee's primary responsibilities are:

- To make recommendations to the Board on the Group's policy for executive remuneration, and review the ongoing appropriateness and relevance of the policy
- To review the design of all share incentive plans and oversee any major changes in employee benefit structures
- To monitor the level and structure of remuneration for senior managers
- To determine the individual remuneration packages on behalf of the Board for the Executive Directors of the Group.

Key issues and activities

The Committee has access to professional advice, both inside and outside the Company, in the furtherance of its duties.

A new policy was adopted at the AGM in May 2017. Therefore the main activities of the Committee this year have been to ensure the direct linkage between the 2020 vision and the remuneration of Directors, along with considering and applying the new guidance available to the Committee from shareholder bodies, government and other stakeholders.

The Directors' Remuneration report sets out in more detail the Committee's policies and practices on executive remuneration.

A handwritten signature in black ink, appearing to read 'M Rice-Jones', written in a cursive style.

Margaret Rice- Jones
Chairman of the Remuneration Committee