

Remuneration Committee: Terms of Reference

1.1. Composition of Committee

The members of REMCO will comprise at least three Independent Non-Executive Directors and the Chairman of the Company (who will not be the Chairman of the Committee). The quorum for a meeting of REMCO will be two members. The Secretary of the Committee will be the Company Secretary or, in his absence, such person as may be determined by REMCO's Chairman.

1.2. Scope of Committee

In performing its role REMCO will have regard to the provisions of the Combined Code, and the UK Listing Authority's Listing Rules, Disclosure Rules and Prospectus Rules and will ensure that the performance related elements of remuneration represent a significant proportion of an Individual Executive Director's total remuneration such that the interests of the Executive Directors are generally aligned with those of shareholders and provide appropriate incentives for them to perform to the highest levels and standards.

REMCO will also consider the early termination and compensation provisions in any Executive Director's service agreement.

In pursuance of its duties REMCO may, to the extent it deems necessary, seek advice from any employee of the Company and of its subsidiaries and their external advisers, and may at the Company's expense obtain external advice from remuneration consultants, legal advisers, or other professionals.

1.3. Authority delegated to the Committee

1.3.1. To determine the remuneration and other terms and conditions of employment of the Executive Directors and the Company Secretary. In this regard remuneration includes pension benefits and any participation by such executive in any of the Company's Share Schemes (including any savings related schemes), or other long term incentive plans.

1.3.2. To determine the remuneration of the Chairman.

1.3.3. The Board has given responsibility to REMCO to consider and make recommendations to the Board, as appropriate, in respect of:

1.3.3.1. terms of any Company Share Scheme, Subsidiary Share Scheme or any other long term incentive plan and of the levels and estimated costs of any annual grants or awards under such schemes or plans;

- 1.3.3.2. any major changes in the rules or terms of any pension scheme that creates incremental liabilities for a pension scheme of a Charter International Company, where the Company is the scheme's principal employer, sponsor or guarantor; and
 - 1.3.3.3. the Remuneration Report that forms part of the Annual Report and Accounts.
 - 1.3.4. On an annual basis REMCO will review and note the remuneration trends across the Company and its major businesses and the level of remuneration of senior line executives and will advise the Board of their views with regard to these matters.

1.4. Reporting Responsibilities

- 1.4.1 The REMCO Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 1.4.2 The REMCO shall make whatever recommendations to the Board it deems appropriate on any area within its delegated responsibilities where action or improvement is needed.

1.5 Annual General Meeting

The Chairman of REMCO shall attend the Annual General Meeting prepared to respond to any shareholder questions concerning REMCO's activities.