

Terms of Reference for the Remuneration Committee of PCI PAL PLC

1. Constitution

- 1.1 The Board has established a committee of the Board known as the Remuneration Committee.
- 1.2 The Terms of Reference for the Committee outlined below are defined by the Board and may be amended by the Board at anytime.

2. Membership

- 2.1 The Board is responsible for the appointment of members to the Remuneration Committee, for setting the term of members' appointments and for the revocation of any such appointments.
- 2.2 The Remuneration Committee shall comprise not less than two members, all of whom shall be independent Non-Executive Directors, providing this is possible. The quorum shall be two Committee members one of whom should be the Committee Chairman unless he/she is unable to attend. All members of the Committee shall be advised of the business to be transacted at any meeting even if they are unable to be present.
- 2.3 The Chairman of the Committee shall be a Non-Executive Director. No one other than members of the Committee is entitled to be present at Committee meetings, unless by invitation by the Chairman. The Board Chairman or Group Chief Executive may be in attendance except when issues regarding their own remuneration are discussed. The Committee's independent remuneration consultants may also attend meetings.
- 2.4 The Committee should consult the Chairman and/or the Group Chief Executive about their proposals relating to the remuneration of other Executive Directors. The Company Secretary shall produce such papers as are appropriate and/or requested, in a timely manner, and take minutes of the Committee's meetings except when issues regarding their own remuneration is discussed or the Committee Chairman otherwise deems inappropriate.
- 2.5 The Remuneration Committee is authorised by the Board to obtain legal, remuneration or other professional advice from both inside and outside the Group as and when required, at the Company's expense, and to appoint and secure the attendance of independent external consultants and advisors if it considers this beneficial.

3. Frequency of meetings

- 3.1 Meetings of the Remuneration Committee shall be held as necessary but not less than twice a year and at such other times as the Chairman of the Committee shall require.
- 3.2 The Chairman of the Committee shall report to the Board after each meeting. The minutes of the meetings shall be circulated to all members of the Committee and of the Board.

4. Duties

- 4.1 The Committee shall:

- i. determine and agree with the Board the broad policy for the remuneration of the Group Board Executive Directors and other members of the executive management referred to below;
 - ii. have delegated authority to set individual remuneration arrangements for the Group Chief Executive and other Group Executive Board Directors that provide motivation and promote the achievement of company objectives;
 - iii. review and monitor the level and structure of remuneration for senior management. The Committee shall determine which colleagues are “senior management” for this purpose – as at the date of adoption of these terms this covers any executive whose salary exceeds that of any Executive Director.
 - iv. in determining remuneration for those referred to above, the Committee shall review and agree - relative positioning of the remuneration package; - individual base salaries and increases; - annual and long-term incentive/bonus arrangements, and set the relevant targets for performance related schemes; - pension arrangements.
- 4.2 The Committee shall approve the service contracts of each Executive Director, including termination arrangements.
- 4.3 In determining remuneration policy and packages, the Committee shall have regard to all relevant codes, laws and regulations.
- 4.4 The fees and other payment arrangements for Non-Executive Directors are matters for consideration by a sub-committee of the Board, consisting of the Chairman, the CEO and CFO. Fees and other payment arrangements for the Chairman shall be considered by a sub-committee consisting of the Chairman of the Remuneration Committee, the CEO and the CFO. Both sub-committees shall make recommendations to, and for the approval by, the Board as a whole.
- 5. Other Matters**
- 5.1 The Chairman of the Committee shall be available to answer questions at the Annual General Meeting on remuneration issues with regard to the Group Board and senior management and generally on remuneration principles and practice.
- 5.2 The Committee shall undertake any other duties as directed by the Board.