

THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND SENIOR INDEPENDENT DIRECTOR: TERMS OF REFERENCE

(Re-adopted by the board on 22 November 2011)

A. Relationship of the chairman and the chief executive officer – guiding principles

1. The two roles must be complementary. The chairman is responsible for managing the business of the board whilst the chief executive officer runs the business. The chairman and the chief executive officer must ensure that each is appropriately informed of the other's current areas of activities. They must be seen to work closely together as a team.
2. Their relationship must be based on mutual respect and trust. It must be frank and open, with problem areas being addressed openly.
3. The chairman has direct access to senior executives, as he deems necessary.
4. The chairman and the chief executive officer must agree on their respective roles in setting major tasks, taking new initiatives and in respect of appointments to the chief executive officer's executive committee.
5. There should be shared vision to promote the long-term success of the Group.
6. There should be shared views on the fundamental strategy for the Group and for the application of cash flow.
7. There should be a shared approach to public affairs and employee relations.
8. These guiding principles will only be modified by mutual agreement between the chairman and the chief executive officer and with the prior approval of the board.

B. Terms of reference for the chairman

The duties of the chairman, which is a non-executive role, arise from his position as the senior officer of the Company and his responsibility for presiding over the official business of the Company and the board.

The chairman's duties include:

- Leadership of the board and ensuring its effectiveness on all aspects of its role
- managing the business of the board and chairing its meetings,
- setting the agenda for discussion at board meetings and ensuring that adequate time is available for discussion of agenda items, particularly those of a strategic nature;
- seeking to ensure that relationships between the directors are of a positive nature, and that board members work as a team to ensure that at all times the outcome of interactions will contribute to the long term success of the company;
- to facilitate resolution of any differences of opinion or approach between directors and ensuring that directors have the opportunity, and are encouraged, to participate in open and frank debate and discussion in board meetings and otherwise and to work to prevent any differing factions emerging and dividing the board. If despite endeavours, factions amongst the board do develop they must be dealt with at the discretion of the chairman in the best interest of the company and its long term success;

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- fostering a culture of openness and engagement; by facilitating the effective contribution of all directors, in particular non-executive directors and ensuring constructive relations between executive and non-executive directors.
- ensure that the board adopts a prompt and constructive approach to making decisions;
- ensuring that all directors receive the information that is required for the proper performance of their duties, and in particular, ensure that non-executive directors are kept fully informed of strategic or important developments affecting the company in a timely manner;
- keeping under review with the board the general progress and long-term
- development of the Group and ensuring that effective strategic planning for the Group is undertaken by the chief executive officer and endorsed by the board after discussion, consistent with creating shareholder value and promoting the long term success of the Company for the benefit of its members as a whole;
- ensuring the submission to the board by the chief executive officer of objectives, policies and strategies for the Group, including the Group business plan and the annual budget;
- monitoring progress towards the timely and effective achievement and implementation of the objectives, policies and strategies set by the board and ensuring that appropriate decisions are taken promptly by or on behalf of the board;
- ensuring that the corporate governance of the Group is maintained in line with the corporate governance compliance statement adopted by the board and current best practice policies agreed by the board;
- formally appraising the performance of the chief executive officer and making appropriate recommendations to the remuneration committee;
- as appropriate, reviewing with the chief executive officer his conclusions and recommendations on the performance and remuneration of executive directors;
- providing advice to the chief executive officer on the allocation of duties to individual directors and assignment of ad hoc responsibilities or special tasks to directors or groups of directors;
- agreeing with the chief executive officer on recommendations to the board for appointments to the boards of relevant subsidiary undertakings;
- participating with the chief executive officer, as appropriate, in public relations, including relations with the Company's shareholders, governments, other public organisations, other companies, the media and the public generally;
- ensuring that there is effective communication with shareholders;
- leading the process for the board's annual performance evaluation and the evaluation of individual directors as part of that process; and
- hold meetings with the non-executive directors without the executive directors being present.

C. Terms of reference for the chief executive officer

As the senior officer of the Company responsible to the chairman and the board for directing and promoting the profitable operation and development of the Group consistent with the primary objective of creating shareholder value by promoting the long term success of the Company, the chief executive officer's duties include:

- exercising executive stewardship of the Group's physical, financial and human resources;
- being generally responsible to the board for the development of the Group and its profitable operation, including the profits, cash and costs of all businesses;

- having responsibility for effective strategic planning for the Group in accordance with board policy and consistent with the primary objective of enhancing long-term shareholder total return (share price and dividends) for preparing objectives, policies and strategies, including the Group business plan and the annual budget and for proposing an appropriate vision, values and strategy, for submission to the board;
- ensuring that such action is taken as is necessary to secure the timely and effective implementation of the objectives, policies and strategies set by the board and of decisions taken by or on behalf of the board;
- ensuring that appropriate objectives, policies and strategies are adopted for each of the businesses or divisions of the Group, that appropriate budgets are set for them individually, that their performance is effectively monitored, that guidance or direction is given where appropriate, and that guidance is given to the Company's subsidiary and related undertakings as to the policy favoured by the Company, as a principal shareholder;
- ensuring that the Group complies with all relevant legislation;
- after appropriate consultation with the chairman, allocating duties to individual directors and assigning ad hoc responsibilities or special tasks to directors or groups of directors;
- motivating, reviewing and appraising the performance of the other executive directors and, after reviewing with the chairman, as appropriate, making appropriate recommendations to the remuneration committee on the remuneration payable to them;
- leading the Group's processes for communicating to, and consulting with, employees;
- being responsible, with the participation of the chairman as appropriate, for public relations, relations with the company's shareholders, governments, other public organisations, other companies, the media and the public generally; and
- regularly keeping the chairman and other non-executive directors informed on all matters that may be of importance to the Group and of relevance to them in the performance of their role as non-executive directors, including its current performance and progress.

D. Terms of reference for the senior independent director

The main responsibilities of the senior independent director are to ensure that the views of each non-executive director are given due consideration and to provide a communication channel between non-executive directors and shareholders. This communication channel is in addition to and does not replace normal channels. It may have only irregular use.

The senior independent director should:

- make himself available for confidential discussions with other non-executive directors who may have concerns which they believe have not been properly considered by the board as a whole;
- have the authority to call a meeting of the non-executive directors if, in his opinion, it is necessary;
- lead a meeting of the non-executive directors without the chairman present at least annually to appraise the chairman's performance (taking into account the views of the executive directors) and on such other occasions as are deemed appropriate;
- provide a sounding board for the chairman and to serve as an intermediary for the other directors when necessary;

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- be available to shareholders if they have concerns which contact through the normal channels has failed to resolve or for which such contact is inappropriate; and
- Chair the nomination committee when it is considering succession to the role of chairman of the board.