

AMLIN PLC

REMUNERATION COMMITTEE

TERMS OF REFERENCE

ADOPTED ON 19 NOVEMBER 2003 AND AMENDED ON 27 FEBRUARY 2008

1. PURPOSE AND CONSTITUTION

- 1.1 The Remuneration Committee (the “Committee”) shall agree with the Board the framework and broad policy for senior executive remuneration and shall determine on behalf of the Board the specific remuneration packages of the Chairman of the Company, the executive Directors and certain other employees as set out in these terms of reference.
- 1.2 The Committee shall consist exclusively of independent¹ non-executive Directors of the Company plus, if appointed to the Committee by the Board and if independent when first appointed to the Board, the Chairman of the Company, and shall comprise at least three such Directors (counting the Chairman of the Company if a member).
- 1.3 The Committee’s members, and its Chairman, shall be appointed by the Board of the Company. The Chairman of the Company shall not be Chairman of the Committee.
- 1.4 The Committee has no role with regard to the remuneration of non-executive Directors of the Company (other than that of the Chairman) as such remuneration is determined by the Board itself, with the advice of any separate committee which it may institute for the purpose.

2. DUTIES

- 2.1 The Committee shall:
- a) determine and agree with the Board the framework or broad policy for senior executive remuneration, and for remuneration within the Group generally in so far as it could affect senior executive remuneration;
 - b) review and determine, under delegated powers from the Board, the total individual remuneration package (including, where applicable, bonuses, incentive payments and share options) of each of the Chairman of the Company, the Group Chief Executive, the other executive Directors of the Company, the Secretary of the Company, and any other Group employees who fall within the definition of “the Executive” set out in paragraph 3 below;
 - c) determine targets for any performance-related pay schemes operated by the Company and/or its subsidiaries;

¹ Independence is as determined by the Board, which in so determining shall take into consideration the guidance contained in the Combined Code.

- d) determine the policy for and scope of pension arrangements for each member of the Executive;
- e) ensure that contractual terms of members of the Executive on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- f) in determining such packages and arrangements, give due regard to the comments and recommendations of the Combined Code on Corporate Governance (the “Code”) as well as the UK Listing Authority’s Listing Rules and associated guidance;
- g) be aware of and advise on any major changes in employee benefit structures throughout the Group;
- h) agree the policy for authorising claims for expenses from the Chairman and the Group Chief Executive;
- i) ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Directors’ Remuneration Report Regulations 2002 (as amended) and the Code, are fulfilled;
- j) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- k) ensure that the frequency of, and attendance by members at, Committee meetings are reported in the annual report;
- l) ensure that the Committee’s terms of reference are publicly available;
- m) review its Terms of Reference, and if appropriate recommend to the Board what changes it considers necessary or desirable, at least annually; and
- n) evaluate its own collective performance at least annually.

2.2 The Committee is also authorised to exercise the Board’s powers in relation to any remuneration scheme, share scheme or similar arrangements of the Company and/or its subsidiaries (including all-employee schemes) including (without limitation) powers relating to their establishment, operation, the granting and vesting of entitlements and the setting of, and measurement of compliance with, performance targets.

Such authority extends to the approval of the allotment, issue and listing of the Company’s shares or other securities as may be required pursuant to the operation of such schemes (noting that in some circumstances such powers may be exercised by the Allotment Committee of the Board, subject to the restrictions in that committee’s own terms of reference), such allotment and issue being reported to the Board at its next meeting. The Committee may, when appropriate, also make recommendations on behalf of the Company to the trustee of any Group Employee Share Ownership Trust or similar arrangement.

3. DEFINITION OF ADDITIONAL EMPLOYEES INCLUDED IN “THE EXECUTIVE”

- 3.1 The term “the Executive” in these terms of reference shall be defined as including the following, in addition to the holders of the offices listed in paragraph 2.1 (b) above:
- a) any employee of the Company, or director or employee of any subsidiary of the Company, whose basic salary from the Company and/or its subsidiaries is at least £150,000 per annum; and
 - b) any other key employee of the Company, or key director or employee of any subsidiary of the Company, who is agreed by the Committee on the recommendation of the Group Chief Executive as appropriate to be included.

4. PROCEDURE

- 4.1 The Committee shall meet as and when it deems necessary in order to fulfil its duties; provided that it shall meet at least three times each year.
- 4.2 Any two members of the Committee shall comprise a quorum, provided that notice of the meeting has been given to all its members. The Committee may request the attendance of any Director, Group employee or external adviser, but no Director or Group employee who is not a member of the Committee, and no external adviser, is entitled to attend any meeting of the Committee as of right.
- 4.3 No person shall be involved in any decisions as to their own remuneration, or be present during discussion of matters relating to him or her individually. This includes consideration of the Chairman’s remuneration, for which purpose he shall not be a member of the Committee.
- 4.4 The Secretary of the Company shall be Secretary of the Committee and shall circulate the minutes of each meeting to the Committee for approval.
- 4.5 The Chairman of the Committee will report to the Board on significant matters considered, recommended or decided by the Committee. The minutes, but not necessarily all the related background papers, shall be made available by the Secretary for inspection by any Director.
- 4.6 The Committee is authorised to engage external advisers or consultants at its discretion and at the Company’s expense.

Adopted by the Board of Amlin plc on 19 November 2003 and amended by the Board on 27 February 2008