

POLICY ON REMUNERATION

AGSTAR PLC

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1. Introduction

The Remuneration Committee, in setting the remuneration policy, has considered the following:

1. the need for Agstar PLC and its listed or wholly owned subsidiaries to be competitive in the local market;
2. the need to attract, motivate and retain talent;
3. the need to encourage and reward high levels of performance and achievement of corporate goals and objectives;

It is believed that the aligning of remuneration with corporate performance ensures that shareholder and other stakeholder interests are also being met. Therefore, a portion of the executive directors' potential remuneration packages will be performance-related.

2. Policy for remuneration of Executive Directors

Accordingly, Executive Directors should receive base salaries comparable with companies of a similar size and standing under diversified sectors and have the opportunity to earn enhanced total remuneration for meeting the performance targets set by the Committee.

In setting remuneration levels for the Executive Directors, the Committee takes account of the remuneration policy and practice applicable to other Group employees and also of prevailing market rates.

The components of remuneration for Executive Directors comprise;

- a) base salary (a fixed sum payable monthly which is reviewed annually in April);
- b) other perquisites;
- c) bonus (based on performance and meeting of the Company's and Group's objectives);
and

3. Policy for remuneration of Non-Executive Directors

Non - Executive Directors will be paid a monthly retainer.

4. Policy for remuneration of Alternate Directors

Alternate Directors will be paid the fee which would have been payable to the Director whose alternate they are-

5. Policy for remuneration of Chief Executive Officer (CEO)

The remuneration of the CEO will be based on performance. Other terms of employment shall be as of comparable companies.

6. Policy on Bonus / ex gratia

The bonus in the case of Executive Directors will be based solely on performance.