

FINANCIAL SERVICES COMPENSATION SCHEME

TERMS OF REFERENCE

CLAIMS DECISIONS COMMITTEE

Membership

The Claims Decisions Committee shall consist of the Chief Executive (or, in the absence of the Chief Executive, any other Executive Director) and any two non-executive directors. The two non-executive directors shall be selected on a meeting-by-meeting basis by the Chief Executive (or, in the absence of the Chief Executive, any other Executive Director) following consultation with the Chairman. The Chairman of the Committee will be decided by the members on each occasion.

Role and Functions:

To consider and make decisions, on behalf of the Board, on marginal or difficult claims or significant claims issues as referred to it by the Chief Executive (or, in the absence of the Chief Executive, any other Executive Director) or the Board, and to report appropriate matters to the Board as a result of its considerations.

Arrangements for the Committee's proceedings:

- (a) the Committee shall meet as and when required, such meetings being determined by the Chief Executive (or, in the absence of the Chief Executive, any other Executive Director) after identifying matters requiring consideration by the Committee;
- (b) dates of meetings shall be notified by the Company Secretary as and when arranged; and
- (c) three members of the Committee (the Chief Executive, or, in the absence of the Chief Executive, any other Executive Director, and two non-executive directors) must be present for it to be quorate.

(21 September 2010)