

## **REMUNERATION COMMITTEE**

Members: Mr A F J Gould (Chairman)  
Sir David Clementi  
Mr M Fitzpatrick  
Mr R R Goodmanson  
Mr P Tellier

### **Terms of Reference**

#### **Membership and Attendance at Meetings**

The Committee shall be appointed by the Board and shall comprise independent non-executive directors of the Company. The Chairman of the Committee shall be appointed by the Board. In the Chairman's temporary absence, one of the other members nominated by the Chairman or elected by the other members of the Committee will act as Chairman. The Company Secretary of Rio Tinto plc shall be the secretary of the Committee and a quorum shall be two members.

If members were to be unavailable for a particular meeting, any two members might co-opt an independent non-executive director if that were to be necessary to constitute a quorum.

The Committee shall meet not less than three times a year and at such other times as any member of the Committee shall require.

Other directors, excluding those falling within the definition in paragraph (2) below, are entitled to attend committee meetings. In that regard, at the same time as the agenda and papers are despatched to remuneration committee members, the agenda will be sent to these other directors. Any eligible non-member director wishing to attend will notify the secretary and ask for the papers, which will then be sent.

The Chairman and the Group Chief Executive may be invited to attend, to discuss proposals relating to other directors and employees whose remuneration is to be reviewed by the committee.

#### **Duties**

1. to review the framework of remuneration for executive directors and Product Group Chief Executive Officers and its cost, and make recommendations to the board;
2. to determine the terms of service, including remuneration, for:
  - (a) the Chairman;
  - (b) any director of Rio Tinto plc and Rio Tinto Limited who is also a salaried employee of the company or any subsidiary;

- (c) any Product Group Chief Executive Officer who is not an executive director of Rio Tinto plc and Rio Tinto Limited.
3. to confirm management's approach to remuneration and employment conditions strategy for any other employee of any Group subsidiary whose employment constitutes a Band A, B or C position;
  4. to determine the pension arrangements, including widows' arrangements, for those mentioned in (2) above;
  5. to review any termination arrangements for those mentioned in (2) above;
  6. to recommend share based long term incentive plans, or the discontinuance of existing plans, to the Board;
  7. to recommend to the Board proposals for granting and, when necessary, exercising share options under the executives' share option schemes;
  8. to ensure that the Company's remuneration policy is consistent with management's approach to developing future leaders;
  9. to report on these matters and on any other matters referred to it by the Chairman or the Board, at the first convenient board meeting following the committee's decision; and
  10. to submit to the Board a draft of the Remuneration Report required to be included in the Company's report and financial statements by relevant UK and Australian legislation and regulation.

The committee may seek external and internal advice on remuneration design and obtain external and internal remuneration surveys.

*Note:*

*"Independent non-executive director" has the same meaning as in the corporate governance code appended to the listing rules of the UK Listing Authority.*