

REMUNERATION COMMITTEE

1. Membership

NAME	TITLE
Andrew Kemp (Chairman)	Senior Independent Non Executive Director
Carol Hui	Independent Non Executive Director
Brian McArthur-Muscroft	Independent Non Executive Director
In attendance	
Robert Walters	CEO
Giles Daubeney	COO
Alan Bannatyne	CFO
Leslie Van de Walle	Chairman
Christine Wright	(secretary)

- 1.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, the CEO and the CFO will be invited to attend meetings as well as other executives and external auditors' representatives as required.
- 1.3 Appointments to the Committee are made by the Board and shall be for a period for up to three years extendable by no more than two additional three-year periods, so long as members (other than the Chairman of the Board, if he or she is a member of the Committee) continue to be independent.
- 1.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not be Chairman of the Committee.

2. Quorum

The quorum required to hold a properly constituted Remuneration Committee meeting is two members.

3. Secretarial and Meetings

- 3.1 The Company Secretary or his or her nominee shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

- 3.2 The Remuneration Committee meets at least three times a year.
- 3.3 Other ad hoc meetings will be held as appropriate. Robert Walters, Giles Daubeney and Alan Bannatyne are in attendance at all meetings unless the subject matter of the meeting regards themselves. The Chairman attends meetings as required.
- 3.4 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 3.5 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 3.6 The Secretary shall minute the proceeds and resolutions of all Committee meetings, including the names of those present and in attendance.
- 3.7 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chairman it would be inappropriate to do so.

4. Annual General Meeting

The Committee Chairman should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

5. Terms of Reference

- 4.1 The Remuneration Committee will:
- determine the terms of the service contracts and the remuneration of the Executive Directors including bonuses and the applicable bonus targets for the forthcoming year and pension rights, after consulting the CEO and drawing on outside advice and consultants where necessary. The Remuneration Committee will carefully consider compensation commitments the directors' terms of appointment would entail in the event of early termination
 - approve the arrangements for the termination of the employment of any of the Executive Directors
 - recommend and monitor the level and structure of remuneration for senior management, including (but not limited to) the allocation of executive share options or awards under the performance share plan

- prepare reports when required in accordance with the Directors' Remuneration Report Regulations 2002
- ensure that shareholders are invited to approve all new long-term incentive schemes (as defined in the Listing Rules) and significant changes to existing rules, save in circumstances permitted by the Listing Rules
- consult the Chairman and/or CEO about their proposals relating to the remuneration of other executive directors

Notes:

1. The term "remuneration" is deemed to include salary and all other benefits including (without limitation) share options, awards under the performance share plan, pensions, allowances, gratuities, insurance's, cars and bonuses.
2. Remuneration levels and service contracts are set having regard to the following:
 - external comparisons of companies of a similar size in a comparable industry sector
 - internal relativity between the salaries and benefits paid to different grades of executive within the Group
 - the financial health and future prospects of the Group

All contract periods shall be set at no more than one year, unless necessary to recruit new directors from outside, in which case the notice period shall reduce to one year or less after an initial period.

3. The Remuneration of the Non-Executive Directors will be approved by the Board on the recommendation of the Chairman. Non-Executive Directors' remuneration levels will reflect the time commitment and responsibility of the role, and shall not include share options.