

**CANDOVER INVESTMENTS PLC
(THE “COMPANY”)**

REMUNERATION COMMITTEE

1.	Name
1.1	The Committee shall be a standing committee of the Board known as the Remuneration Committee (the “Committee”).
2.	Members and Chairman
2.1	Subject to 3.2, the Committee shall comprise any three or more non-executive directors of the Company appointed from time to time by resolution of the Board, all of whom must be independent non-executive directors.
2.2	The Board shall appoint one of the members of the Committee to act as chairman of the Committee.
2.3	The Secretary of the Company will act as secretary of the Committee.
2.4	The secretary of the Committee shall provide the Committee such support and advice as it may require and shall be entitled to independent access to the chairman of the Committee at all times.
3.	Quorum
3.1	Any two members of the Committee, including the chairman of the Committee.
3.2	Notwithstanding 2.1, where a quorum would not otherwise be available for a meeting of the Committee to take place, the chairman of the Committee and the Chairman of the Board shall each have the power, acting alone, to co-opt any appropriate independent non-executive director (including himself) as an additional member of the Committee for the purpose and duration of any such meeting of the Committee and any such non-executive director so co-opted shall be counted for the purpose of the determining whether a quorum is present at any such meeting of the Committee.
3.3	Members of the Committee cannot vote on matters in which they have an interest.
4.	Attendance at meetings
4.1	No one other than the chairman and members of the Committee is entitled to be present at a meeting of the Committee.
4.2	The chairman of the Committee may invite any other person who he deems appropriate to attend Committee meetings.
4.3	Each member of the Committee shall have one vote. In the event of an equality of votes, the resolution put shall be lost.

5.	Frequency of Meetings
5.1	The Committee shall meet at least twice a year.
5.2	Ad hoc meetings of the Committee may be called as and when required.
6.	Purpose
6.1	To monitor and review compensation and remuneration matters affecting the Company and its Directors and employees.
7.	Status
7.1	The Committee has no executive powers but shall have the authority to seek any information it requires from any officer or employee of the Company or any of its subsidiary companies and such officers or employees shall be instructed by the Board of the Company employing them to respond to such enquiries.
7.2	The Committee is granted the authority of the Board to call for advice or reports from outside consultants, auditors or other appropriate bodies as and when deemed necessary.
8.	Schedule of matters that may be considered by the Committee
8.1	To review and set the remuneration (including matters relating to pension benefits) for the Chairman of the Board and any executive director of the Company.
8.2	To set compensation payments or other benefits for the Chairman of the Board and any executive director of the Company on termination of their employment, whether by way of damages for breach of contract, pay in lieu of notice, ex gratia payment or otherwise.
8.3	To consider whether executive directors are eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to enhance shareholder value. Upper limits should be set and disclosed. To consider whether it is preferable to make part payments in shares to be held for a significant period.
8.4	To consider whether the executive directors should be eligible for benefits under long-term incentive schemes.
8.5	To review performance criteria which payouts under grants or incentive schemes are subject and ensure that they reflect the Company's objectives. Consideration should be given to criteria which reflect the Company's performance relative to a group of comparator companies in some key variables such as total shareholder return.
8.6	To review and consider the pension consequences and associated costs to the Company of basic salary increases and any other changes in pensionable remuneration, especially for Directors close to retirement.
8.7	To review any new long-term incentive schemes and make recommendations prior to their approval by the shareholders.
8.8	To review any major changes to the Company's pension scheme and make recommendations prior to final approval of the Board.

8.9	Exercise or approve and authorise the exercise of all or any powers, authorities and discretions of the Directors in connection with any share plans operated by the Company for its employees.
8.10	To review the operation of any future share option schemes and any proposed share options to be granted to employees subject to the final approval of the Board.
8.11	Exercise all or any powers, authorities and discretions at any time (and whether before or after the date of adoption of these terms of reference) conferred upon the Committee by the Board.
8.12	Review on an annual basis its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.
8.13	Have due regard to article 93(1) when setting the level of fees paid to non-executive directors.
8.14	Make publicly available its terms of reference explaining clearly its role and the authority delegated to it by the Board.
8.15	Make a statement in the Annual Report about its activities, the membership of the Committee, number of Committee meetings and attendance of members over the course of the year.

9.	Minutes
9.1	All minutes of the Committee shall be circulated to the next meeting of the Board of Directors of the Company.
9.2	A resolution in writing signed by all members of the Committee being entitled to receive notice of a meeting of the Committee shall be as valid and effective as if the same had been passed at a meeting of the Committee duly convened and held.