

COLLINS STEWART PLC

Terms of Reference for the Remuneration Committee

1 Membership

- 1.1 Members of the Remuneration Committee ("the Committee") shall be appointed from time to time by the Board and shall initially consist of two non-executive directors and as soon as reasonably practicable the membership will be reviewed so as to be not less than three independent non-executive directors.
- 1.2 The chairman of the Committee shall be appointed from time to time by the Board.
- 1.3 Members of the Committee shall be identified in the Company's statutory accounts.

2 Secretary

The secretary of the Committee shall be appointed from time to time by the Committee.

3 Authority of the Committee

- 3.1 The Committee, giving full consideration to the principles of good governance (and the code of best practice contained in The Revised Combined Code on Corporate Governance, shall on behalf of the Board be responsible for developing a formal and transparent policy on executive remuneration, and the framework in which that policy is applied, and its cost.
- 3.2 In particular, the Committee shall on behalf of the Board:
 - (a) determine, on the basis of the principles set out in 3.1:
 - (i) the specific remuneration packages for each of the executive directors and the Chairman, including pension rights and all benefits whether in cash or in kind, fixed for a term or performance related, immediate or deferred;
 - (ii) any variation of the specific remuneration packages for any of the executive directors;
 - (iii) approve the terms and authorise the execution of any relevant documentation;
 - (b) recommend and monitor the level and structure of remuneration for senior management. The definition of "senior management" for this purpose should include the first layer of management below Board level;

- (c) determine, on the basis of the principles set out in 3.1, in relation to the Company's share option scheme(s) on each occasion on which options are granted:
 - (i) the maximum number of shares over which options are to be granted;
 - (ii) the performance criteria to be applied to those options; and
 - (iii) the allocation of options to executive directors;

and approve the terms and authorise the execution of any relevant documentation;

- (d) determine, on the basis of the principles set out in 3.1, any compensation payments to be made to any executive director on the termination or variation of his/her employment;
- (e) advise, and where appropriate, make recommendations to the Board of the Company:
 - (i) as to developments in best practice relating to the remuneration of all employees; and
 - (ii) on the basis of those developments to recommend appropriate changes to the authority of the Committee; and
- (f) investigate into, and report and/or make recommendations regarding, any matter in any way connected with the matters which the Committee is to determine or on which it is to advise, or which is referred to the Committee by the Board of Directors of the Company.

3.3 The Committee shall not determine the remuneration of any non-executive director, other than the Chairman of the Company.

4 Consultation and External Advice

4.1 The Committee shall consult the chairman and/or the chief executive about its proposals relating to the remuneration of other executive directors.

4.2 The Committee is authorised to obtain all necessary information from within the Company and to access professional advice inside and outside the Company, as it considers necessary.

5 Reporting Procedures

A note of the decisions of the Committee signed by the chairman of the Committee shall be a sufficient record and conclusive evidence of the validity of the Committee's decisions. The Chairman of the committee shall attend each AGM and shall be available to answer questions raised by shareholders at the AGM.

6 Procedural Matters

- 6.1 The quorum of the Committee shall be two members.
- 6.2 Meetings of the Committee shall be held as required, but not less than once twice annually.