

**COHORT PLC
REMUNERATION & APPOINTMENTS COMMITTEE
TERMS OF REFERENCE**

Revised 24 January 2007

Membership

The Committee shall be appointed by the Cohort plc (hereinafter referred to as the "Company") Board from amongst the independent Non-Executive Directors of the Company, where possible. The Committee shall consist of not less than two members. A quorum shall be two members. The Chairman of the Committee shall be a member determined by the Company but ideally should not be the Chair of Cohort Board. The initial members of the Committee shall be Nick Prest and Sir Robert Walmsley, with the latter acting as Chairman.

The Chief Executive, Executive Directors, Company Secretary and other Senior Managers may be invited to attend meetings of the Committee as required by the Chairman of the Committee.

Company Secretary

The Company Secretary or their nominee shall act as the Secretary of the Committee.

Frequency of Meetings

The Committee will hold a minimum of one meeting each year. Meetings shall be summoned by the Secretary of the Committee at the request of any of its members. Unless otherwise agreed, notice of each meeting shall be forwarded to each member of the Committee no later than 5 working days before the date of the meeting.

In addressing its responsibilities, the Committee will take into account the audited financial results of the Company for the past year. The Committee will write formal minutes recording its proceedings and decisions. These will be circulated to all Company Board members, unless a conflict of interest exists.

Authority

The Committee will have access to such information and advice, at the expense of the Company, both from within the Company and externally, as it deems necessary.

Role of the Committee - Remuneration

It is important to distinguish between the role of the Committee and the role of the Company Board in the setting of Remuneration policy.

The Company Board will agree the general policy on Remuneration for all staff. The Company Board may ask the Committee for advice on this general policy or to commission external advice for presentation to the Company Board. More specifically, the Company Board will approve the following Remuneration items as part of the Annual Budget process:-

- The average level of increase (or decrease) in remuneration year-on-year for staff in continuing employment;
- The total increase (or decrease) in remuneration year-on-year for all staff (i.e. reflecting joiners, leavers, new and redundant posts); and
- The highest and lowest levels of increase in individual remuneration (in absolute and percentage terms).

Within the general policy agreed by the Company Board, the Committee will advise and recommend to the Company Board the policy on remuneration for Executive Directors and other identified key members of the Senior Management Team. A list of the appointments to be covered is attached to this document and will be updated on the recommendation of the Chief Executive as required. The Committee will take into account the cost of any recommendations, general economic factors and the provisions of the combined Code on Corporate Governance as appropriate.

The Committee will specifically approve the detailed terms of service of each Executive Director and key Senior Manager in accordance with the agreed policy including:-

1. Annual change in remuneration
2. Commission arrangements or other payment
3. Bonus arrangements
4. Share options (excluding SAYE schemes)
5. Provision of benefits
6. Pension arrangements
7. Terms and conditions of termination of employment

The Chairman and Executive Directors are responsible for remuneration policy in respect of Non-Executive Directors. No Director shall be involved in any decision pertaining to their own remuneration.

The Committee is responsible for setting the policy in respect of expenses and disbursements of the Chairman and Chief Executive.

Role of the Committee – Appointments

The Company Board is responsible for the appointment of all Board Members - Executive Directors, Non-Executive Directors and Company Secretary.

The role of the Committee, in conjunction with the Executive Directors where appropriate, is to manage the process of search for, and selection of, candidates who will be recommended to the Company Board for appointment.

The Company Board may instruct the Committee to take responsibility for other non-executive appointments.

With the exception of Company Secretary, the Executive Directors will be responsible for all other executive appointments within the Company including the key Senior Managers on the attached list.

Role of the Committee – General

The Committee will prepare the annual report on Directors' remuneration for approval by the Company Board. The Chairman of the Committee shall, if required, account to the Shareholders for the content of the report or any matters arising from it, including attendance at the Annual General Meeting.

The Committee may be required by the Company Board to address other matters relating to Remuneration and Appointments not covered by the above.

Posts to be addressed by the Remuneration Committee

Chief Executive (Cohort plc)
Finance Director & Company Secretary (Cohort plc)
Corporate Development Director (Cohort plc)
All SCS Directors (unless addressed as part of Cohort)
All Mass Directors (unless addressed as part of Cohort)