

**KEWILL PLC**  
**REMUNERATION SUB-COMMITTEE OF THE BOARD OF DIRECTORS**  
**TERMS OF REFERENCE**

**1. Constitution**

The Board hereby resolves that the existing terms of reference for the remuneration sub-committee as at 03 December 2010 shall with effect from such date be replaced by the terms of reference detailed below, and that the conduct of the remuneration sub-committee shall thereafter be subject to these Terms.

**2. Definitions**

In these Terms the following words have the following meanings:

- “Board” the board of directors of the Company;  
“Chairman” the chairman of the Committee;  
“Committee” the remuneration sub-committee of the Board;  
“Company” Kewill plc with registered number 1037515;  
“Secretary” the secretary to the Committee;  
“Terms” these terms of reference.

**3. Composition**

3.1 The Committee shall be appointed by the Board.

3.2 Subject to provision 3.3:

3.2.1 all members of the Committee shall be independent non-executive directors of the Company;  
and,

3.2.2 the committee shall consist of not less than two members.

3.3 Where the Board is composed of only one independent NED, a non-independent NED may be a member of the Committee until such time as an independent NED is available to fulfil such role.

3.4 A quorum shall be two members, of whom at least one should be an independent non-executive director.

3.5 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

3.6 The chairman of the Committee (who should not be the Chairman of the Company) shall be appointed by the Board from amongst the independent non-executive directors. In the absence of the Chairman (or a nominated deputy) the remaining members present shall elect a chairman for the purposes of that specific meeting.

**4. Attendance at meetings**

4.1 The CEO and the head of HR (if any) may address any meeting of the Committee.

4.2 The company secretary (or his/her nominee from time to time) shall be the Secretary.

**5. Frequency & notice of meetings**

5.1 Meetings shall be held not less than once a year.

5.2 Meetings of the Committee shall be summoned by the Secretary at the request of any member of the Committee.

5.3 Unless agreed otherwise, notice of each meeting (confirming location, timing and agenda) shall be circulated to each member of the Committee at least 2 working days prior to the date of the meeting.

## 6. Reporting procedures

- 6.1 The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee, the chairman of the Company and, upon request, to the other members of the Company.
- 6.2 The Committee shall produce an annual report of the Committee's remuneration policy.
- 6.3 The Chairman shall attend the AGM and shall answer questions, through the chairman of the Board, on the Committee's activities and their responsibilities.

## 7. Authority

The Committee is authorised by the Board to:

- 7.1 seek any information that it requires from any employee of the Company and all employees are directed to co-operate with any request made by the Committee; and,
- 7.2 obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.

## 8. Responsibilities

The responsibilities of the Committee shall be:

- 8.1 to determine and agree with the Board the framework policy for the remuneration of the CEO, the Company chairman, any other executive directors, the company secretary, and such other senior executives as it is designated (from time to time) to consider, with the objective of ensuring that such persons are provided with appropriate incentives to encourage enhanced performance in a fair and responsible manner and are rewarded for their individual contributions to the success of the Company;
- 8.2 to ensure that no director or manager is improperly involved in any decisions as to his or her own remuneration;
- 8.3 to determine targets for performance related pay schemes operated by the Company and to request that the Board, where required, seeks shareholder approval for any long-term incentive schemes;
- 8.4 within the scope of the agreed policy, to determine the total individual remuneration package of, and contractual arrangements for: each executive director; the company secretary; and, designated senior executives (including, where appropriate, pension arrangements, bonuses, incentive payments and share options);
- 8.5 to review and approve the contractual arrangements for each executive director, the company secretary, and designated senior executives;
- 8.6 to determine the policy for, and scope of, any executive termination arrangements: including provisions in service agreements relating thereto; termination payments; and, compensation commitments in any service agreements; (having due regard to the requirements of the Combined Code and the Listing Rules);
- 8.7 to review remuneration arrangements in light of relevant comparators;
- 8.8 to be aware of and oversee any major changes in employee benefit structures throughout the Company (or the group) including pension and share option plans;
- 8.9 to determine policies and arrangements for the appointment of executive directors to other organisations and companies;
- 8.10 to review arrangements for identification and development of senior executives of the Company with the potential to become executive directors.

## 9. Exclusion

The remuneration of the non-executive directors shall be a matter for the executive members of the Board as per the Articles of Association.