



FIRST PROPERTY GROUP PLC

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Membership

The committee shall comprise at least two members, one of whom shall be an independent Non-Executive Director. The Chairman of the Board may serve on the committee if he or she was considered independent on appointment as Chairman.

The members of the remuneration committee for the time being shall be:

Peter Moon (Committee Chairman); and
Alasdair Locke.

Only members of the committee have the right to attend committee meetings. However, other individuals such as the Chief Executive, the Chief Financial Officer, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Members of the committee shall be appointed by the Board.

The Board shall appoint the committee Chairman who shall be an independent Non-Executive Director.

Secretary

The Company Secretary or his or her nominee shall act as the secretary of the committee.

Quorum

The quorum necessary for the transaction of business shall be two. 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.

Frequency Meetings

The committee shall meet at least once a year or as required otherwise.

Notice of Meetings

Meetings of the committee shall be called by the Secretary of the committee at the request of the committee Chairman.

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 and any other person required to attend, 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.

Minutes of Meetings

The Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

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 it would be inappropriate to do so.

Annual General Meeting

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

Duties

The committee should carry out the duties below for the parent company, major subsidiary undertakings (Directors only) and the group as a whole, as appropriate.

The committee shall:

- determine and agree with the Board the framework or broad policy for the remuneration of the group's Chief Executive, the Executive Directors, the Company Secretary and such other members of executive management as it is designated to consider. The remuneration of Non-Executive Directors shall be a matter for the Chief Executive and the Chief Financial Officer. No director or manager shall be involved in any decisions as to their own remuneration.
- in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code ("the Code") and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the group are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the group.
- when setting remuneration policy for directors, review and have regard to the remuneration trends across the group.
- review the ongoing appropriateness and relevance of the remuneration policy.
- within the terms of the agreed policy determine the total individual remuneration package of the Chief Executive, each Executive Director, Company Secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards.
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board.
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee.
- approve the design of, and determine targets for, any performance related pay schemes operated by the group and approve the total annual payments made under such schemes.
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors, Company Secretary and other designated senior executives and the performance targets to be used.
- determine the policy for, and scope of, pension arrangements for each Executive Director and other designated senior executives.

- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the group, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- oversee any major changes in employee benefits structures throughout the group.
- agree the policy for authorising claims for expenses from the Directors.

Reporting Responsibilities

The committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

Other Matters

The committee shall:

- have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- be provided with appropriate and timely training.
- give due consideration to laws and regulations, the provisions of the Code and the requirements of the Aim Rules and any other applicable Rules, as appropriate.
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Authority

The committee is authorised by the Board to obtain, at the group's expense, outside legal or other professional advice on any matters within its terms of reference.