

Irish Continental Group plc Remuneration Committee

Terms of Reference

1) Membership

- a) The committee shall comprise of at least three members, each of whom shall be appointed by the board. The majority of members of the committee should be non-executive directors.
- b) The board should appoint the committee chairman and determine the period for which they shall hold office.

2) Secretary

The committee shall nominate a member of the committee to act as the secretary of the committee.

3) 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.

4) Meetings

The committee shall meet not less than once a year and at such times as the chairman of the committee shall require.

5) Notice of Meetings

- a) Meetings of the committee shall be summoned by the secretary of the committee at the request of any member thereof.
- b) 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, any other person required to attend and all non-executive directors, no fewer than three working days prior to the date of the meeting.
- c) The managing director shall have the right to address any meeting of the committee; others may be called upon or shall be able to speak by prior arrangement with the chairman of the committee.

6) Minutes of Meetings

- a) The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- b) Minutes of committee meetings shall be circulated to all members of the committee.

7) Annual General Meeting

The chairman of the committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the committee's activities.

8) Duties

The committee shall:

- a) Determine and agree with the board the framework or broad policy for the remuneration of the all executive directors and the chairman. The remuneration of non-executive directors shall be a matter for the executive members of the board. No director shall be involved in any decisions as to his or her own remuneration.
- b) Give due regard to the contents of the Combined Code for Corporate Governance as well as the Irish/UK Listing Authorities Listing Rules and associated guidance.
- c) Within the terms of the agreed policy, approve remuneration structures including salary, pension, bonus, profit share, share option and other schemes deemed appropriate.
- d) Ensure the remuneration of the executive directors and other senior management is adequate to attract, motivate and retain personnel of a high calibre and provides reward for enhancing shareholder value responsibly in relation to their individual contributions.
- e) Within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options.
- f) Approve amendments to the terms of the agreed policy.
- g) Review not less than once a year specific remuneration packages for executive directors to determine basic salary, any benefits in kind, any annual bonuses, any incentive and share option schemes and any pension entitlements.
- h) Be aware of and advise on any major changes in employee benefit structures throughout the group.

- i) Ensure that provisions regarding disclosure of remuneration, including pensions, are fulfilled.
- j) Agree the policy for authorising claims for expenses from the chief executive and chairman.

9) Authority

- a) The committee is authorised by the board to seek any information it requires from any employee of the company in order to perform its duties.
- b) In connection with its duties the committee is required by the board to select, set the terms of reference and appoint Remuneration Consultants, at the company's expense.