

QUINTAIN ESTATES AND DEVELOPMENT PLC

TERMS OF REFERENCE

OF

THE REMUNERATION COMMITTEE

(adopted on 31 January 2006)

1. Definitions

“the Committee”	The Remuneration Committee
“The Chairman”	The Chairman of the Committee
“The Company”	Quintain Estates and Development PLC
“The Group”	The Quintain Estates and Development PLC group
“The Board”	The board of Quintain Estates and Development PLC
“The Secretary”	The Secretary of the Committee
“The Company Secretary”	The Company Secretary of Quintain Estates and Development PLC

2. Membership

- A. The Committee shall comprise the Chairman and at least two other non-executive directors of the Company who are considered by the Board to be independent of management and free from any business or other relationship which could interfere with the exercise of their independent judgement.
- B. The Board shall nominate the Chairman, who shall be appointed by the shareholders of the Company at its Annual General Meeting to serve from the close of the Annual General Meeting at which he or she is appointed until the close of the next AGM.
- C. Whilst in office as the Chairman, he/she may not also be chairman of the Company.
- D. The Secretary shall be either the Company Secretary or any other person nominated by the Board to serve as Secretary.

3. Meetings

- A. The Committee shall meet formally at least twice a year.
- B. Meetings may be called by any member of the Committee or by the Secretary.
- C. The quorum for meetings of the Committee shall be two members.
- D. The Chairman of the Group, the Chief Executive and the Personnel Executive may attend and speak at Committee meetings. Others may be called upon or shall be able to speak upon prior arrangement with the Chairman.

- E. Notice of the meeting, which shall include the venue, date and time, shall be circulated by the Secretary to all members of the Committee at least five days prior to the date of the meeting.
- F. In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- G. The Secretary shall keep appropriate records, including attendance records, minutes of the proceedings and of decisions made at all meetings of the Committee.
- H. Copies of the minutes of the meetings shall be circulated to all members of the Committee and to the Chairman of the Board and, upon his approval, to any other member of the Board.
- I. Committee attendees shall not participate in any discussion or decision in relation to their own remuneration and shall be required to withdraw from the meeting during such discussions.

4. **Duties**

- A. To agree with the Board a general remuneration policy for the remuneration of the executive directors of the Company and Group policy for all other members of staff
- B. In making policy proposals to the Board, to take into consideration such factors as the provision of appropriate incentives to encourage enhanced performance and rewards for individual contributions to the Group's success together with any other factors it deems necessary
- C. To liaise with the Nominations Committee to ensure that the remuneration of new directors is within the overall policy of the Group
- D. To determine targets for any performance related pay schemes operated by the Group (for shareholders' approval in the case of long-term incentive arrangements) such as proposals for the determination of bonuses and share incentive schemes
- E. To determine policy for and scope of pension arrangements, service agreements for the executive management team, termination payments and compensation commitments
- F. Within the terms of the agreed policy to determine the total individual remuneration packages of each executive director, the Company Secretary and such other member of staff falling within the remit of the Board
- G. Current policy requires the Committee to approve the remuneration of all employees whose annual basic salary exceeds £125,000 for a full time position, or pro rata for a part time position (subject to all other terms and conditions being Company standard)
- H. In addition, the Committee will approve the appointment of all consultants whose annual full time remuneration rate shall be in excess of £125,000 (i.e. a rate of £25,000 per day per week). However, short term appointments where the remuneration rate may be, on an annualised basis, in excess of £125,000, but the total actual payment is less than £25,000 shall be within the discretion of the Executive Directors

- I. In determining the above policy to give due regard to the comments and recommendations of the Combined Code, Stock Exchange Listing Rules and any other associated guidance
- J. In determining remuneration to give due regard to the remuneration levels of competitor companies
- K. To keep all matters within these terms of reference under regular review
- L. To oversee any major changes in employee benefit structures throughout the Group, including any or all of its subsidiaries
- M. To ensure that all remuneration disclosure provisions of the London Stock Exchange Listing Rules and the Directors' Remuneration Report Regulations 2002 are complied with
- N. To produce an annual report of the Committee's remuneration policy, to form part of the Company's published Annual Report and Accounts and to be put to shareholders for approval at the Company's Annual General Meeting
- O. To ensure that the Chairman or an appointed deputy attends the Company's Annual General Meeting prepared to answer shareholders' questions in relation to directors' remuneration
- P. Review these Terms of Reference on an annual basis

and report and/or make recommendations to the Board as appropriate.

5. Authority

Where it is reasonably considered necessary, the Committee is hereby authorised:

- A. To seek any information it requires from any employee of the Group in order to perform its duties;
- B. To obtain any outside professional advice, setting their terms of reference and including inviting such advisors to attend remuneration meetings;
- C. To obtain reliable, up-to-date information about remuneration in other companies and commission any reports or surveys which it deems necessary to help it fulfil its obligations.

All such matters may be done at the Company's expense.