

Tribal Group plc

Terms of reference for the Remuneration Committee

1. Constitution

The Committee has been established by resolution of the Board and is to be known as the Remuneration Committee.

2. Membership

2.1 The members of the Remuneration Committee shall be appointed by the Board from amongst the non-executive Directors of Tribal Group plc ("**the Company**") and shall consist of not less than two members. The members of the Remuneration Committee shall be non-executive Directors independent of management of the Company and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. A quorum shall be two members.

2.2 The Chairman of the Remuneration Committee shall be appointed by the Board. The Chairman of the Committee shall have a casting vote on all matters in the event of an equality of votes.

3. Attendance at meetings

3.1 The Remuneration Committee may at each meeting appoint one of their number (or such other person as the meeting shall agree) to be the Secretary of the Committee.

3.2 Board members shall not have the right of attendance where the meeting of the Remuneration Committee is to discuss their personal remuneration.

3.3 The Chief Executive shall be invited to attend meetings to discuss performance of executive Directors and make proposals as necessary.

3.4 The Chief Executive should report to the Remuneration Committee on significant Group-wide changes in salary structure and terms and conditions affecting other employees at senior executive level.

4. Frequency of meetings

Meetings shall be held not less than twice a year. The Chairman of the Company may request a meeting if he reasonably considers that one is necessary.

5. Authority

5.1 The Remuneration Committee is authorised by the Board to investigate any matter within its term of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any requests made by the Remuneration Committee.

5.2 The Remuneration Committee is authorised by the Board to obtain outside professional advice and to secure the attendance at meetings of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Remuneration Committee will act in conjunction with the Chairman of the Company.

6. Purpose

6.1 The purpose of the Remuneration Committee is to:

- (a) ensure that the executive Directors of the Company and other senior executives of the Tribal Group are fairly rewarded for their individual contribution to the overall performance of the Company; and
- (b) demonstrate to the shareholders of the Company that the remuneration of the principal executive Directors of the Company and other senior executives of the Tribal Group is determined by a committee comprised entirely of non-executive Directors who will have due regard to the interests of the shareholders.

7. Duties

7.1 The Remuneration Committee shall be responsible for making recommendations to the Board for all elements of the remuneration of the executive Directors of the Company and other senior executives of the Group ("**the Executives**") and the duties of the Remuneration Committee shall be:

- (a) to consider the basic salary paid to each specific Executive and any recommendations made by the Chairman of the Company for changes to that basic salary;
- (b) to consider any bonuses to be paid to each specific Executive and, in respect of any element of remuneration of an Executive which is performance related, to formulate suitable performance related criteria and monitor their operation, and to consider any recommendations of the Chairman of the Company regarding bonuses or performance related remuneration;
- (c) to advise on and determine all performance-related formulae relevant to the remuneration of each specific director of the Company and to consider the eligibility of directors for annual bonuses and benefits under long term incentive schemes;
- (d) to administer all aspects of any share option scheme operated by or to be established by the Company including but not limited to (subject always to the rules of that scheme and any applicable legal and London Stock Exchange requirements):
 - (i) the selection of those eligible directors and employees of the Company and its subsidiary companies to whom options should be granted;
 - (ii) the timing of any grant;
 - (iii) the numbers of shares over which options are to be granted;
 - (iv) the exercise price at which options are to be granted;
 - (v) the imposition of any objective condition which must be complied with before any option may be exercised;
- (e) to have regard in the performance of the duties set out in this Clause to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share option schemes (in particular the guidelines published by the Association of British

Insurers and National Association of Pension Funds) which the Remuneration Committee considers relevant or appropriate;

- (f) to consider and make recommendations to the directors of the Company concerning disclosure of detail of remuneration packages and structures in addition to those required by law or by the UK Listing Authority;
- (g) to consider other benefits granted to each specific Executive and any recommendations of the Chairman for changes in those benefits;
- (h) to consider the pension arrangements applicable to each specific Executive;
- (i) to consider and make recommendations in respect of the terms of the service contracts of each specific Executive and any proposed changes to these contracts; and
- (j) to consider other matters relating to the remuneration of or terms of employment applicable to each specific Executive and referred to the Remuneration Committee by the Board.
- (k) to approve any new contract of employment to be entered into by the Company where the total remuneration and benefits payable to the employee in respect of salary, including guaranteed bonus could exceed £150,000 (or its equivalent) per annum or the gross amount of compensation (ignoring mitigation and other factors reducing the amount payable) payable on the termination of any such contract would exceed £150,000 (or its equivalent).
- (l) to determine the Company's policy in relation to compensation agreed to be paid to any executive director or other senior employee in connection with the termination of their employment and, where applicable, their removal from the office of director.
- (m) to determine the terms of any compensation package in the event of early termination of the contract of any executive Director.

In fulfilling these duties the Remuneration Committee will investigate (so far as they are able):

- (i) remuneration paid to directors and senior executives of other companies of a similar size in a comparable industry sector in the UK; and
- (ii) the relative performance of such companies against the Company.

7.2 In discharging its duties the Remuneration Committee will have regard to the Combined Code - Principles of Good Corporate Governance and Code of Best Practice.

8. Exclusions

The terms of reference of the Remuneration Committee do not encompass decisions to employ or dismiss Executives. The Remuneration Committee does not have responsibilities for nominations to the Board.

9. Reporting procedures

9.1 The Secretary of the Remuneration Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

- 9.2 The Chairman of the Remuneration Committee shall be available to answer questions about the Committee's work at the annual general meeting of the Company.

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