

Terms of reference of the Remuneration Committee Of Porvair plc

Constitution

The Board has established a Remuneration Committee to advise the Board on remuneration policies that fairly reward the directors and senior executives having regards to market conditions for pay, the performance of the Group and the performance of individual executives. This schedule sets out the revised terms of reference for the role of the Remuneration Committee.

The Committee shall not have a role in setting the Non-executive Directors remuneration which will be set by a committee of the Executive Directors.

In carrying out its duties the Remuneration Committee should have due regard for the guidance set out in The Combined Code and the UK Listing Authority's Listing Rules and associated guidance.

Membership

The Committee members shall be drawn solely from the independent non-executive directors. The Committee shall comprise at least two members. A quorum shall be two members.

The senior non-executive shall chair the Committee and shall have a casting vote.

Frequency of and attendance at meetings

The Committee shall meet as necessary. The members of the Committee may decide if non-members should attend for particular meetings or agenda items.

The Committee shall meet specifically to approve its report to be included in the annual report.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request from the Committee.

The Committee has access to the services of the Company Secretary.

The Committee is authorised by the Board to obtain such outside legal and other independent advice as it considers necessary at the expense of the company.

Duties

The Committee shall:

- determine, and agree with the Board, the framework for the remuneration of the Chief Executive and other Executive Directors.
- determine targets for any performance-related pay schemes operated by the company. Any incentive schemes should be developed with reference to Schedule A of the revised Combined Code;

- determine the policy for and scope of pension arrangements for each executive director;
- ensure that contractual terms on termination, and any payments made, are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- within the terms of the agreed policy and in consultation with the Chief Executive, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options;
- remain aware of and advise on any major changes in employee benefit structures throughout the company or group;
- agree the policy for authorising claims for expenses from the Chief Executive and Chairman;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

Reporting

The Committee shall include a report of its work in the annual report. The report shall cover the requirements governing disclosure of remuneration, including pensions, as set out in the Directors' Remuneration Report Regulations 2002 and the Combined Code.

The Committee shall report the frequency of, and attendance by members at, remuneration Committee meetings in the annual reports.

The Chairman of the Committee shall be available to the shareholders at the Annual General Meeting to answer questions relating to the Committee's activities.

The Committee shall make available its terms of reference.

The proceedings and resolutions of meetings shall be minuted and the minutes shall normally be circulated to the Board, except to the extent that any conflict of interest would arise.