

HANSTEEN HOLDINGS PLC ("the Company")

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

Adopted on 5 December 2011

In this document, the "Board" shall mean the Board of directors of the Company; the "Chairman" shall mean the Chairman of the Remuneration Committee; the "Chief Executive Officer" shall include each of the Joint Chief Executive Officers as the context requires and the "Group" shall mean the Company and its subsidiaries.

1. ESTABLISHMENT AND ROLE

- 1.1 The Remuneration Committee has been established by resolution of the Board and is known as the Remuneration Committee.
- 1.2 The role of the Remuneration Committee is to:
 - (A) ensure that the Company's executive directors and senior management are fairly, but responsibly, rewarded for their individual contributions to the Company's overall performance;
 - (B) demonstrate to the shareholders of the Company that the remuneration of the principal executive directors of the Company and other senior executives, as determined by the Board, of the Company and the Group is independently approved and monitored and set by a committee of the Board whose members have no personal financial interest, other than as shareholders, in the outcome of the decisions of the Remuneration Committee and who will have due regard to the interests of shareholders; and
 - (C) to monitor the Company's compliance with the best practice provisions regarding directors' remuneration set out in the Model Code.

2. MEMBERSHIP

- 2.1 The members of the Remuneration Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the Chairman. The Remuneration Committee shall be made up of at least three members. The chairman of the Board may also serve on the Remuneration Committee as an additional member if he or she was considered independent on appointment as chairman.
- 2.2 All members of the Remuneration Committee shall be independent non-executive directors of the Company who are unconnected with the management of the Company. The Board will determine each member's independence based on any past and present relationships with the Company and the Group which, in the opinion of the Board, may influence the member's judgment.
- 2.3 If membership falls below three members, the Board may appoint other non-executive members to the Remuneration Committee for an interim period.
- 2.4 The Chairman shall be an independent non-executive director who shall be appointed by the Board. In the absence of the Chairman and/or an appointed deputy, the remaining members

shall elect one of themselves to chair any relevant meetings. The chairman of the Board shall not be Chairman.

- 2.5 Only members of the Remuneration Committee have the right to attend and vote at Remuneration Committee meetings. However, other individuals such as the chief executive, 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.
- 2.6 No member of the Board (or of the Remuneration Committee) shall attend meetings of the Remuneration Committee where his or her own remuneration arrangements are determined.
- 2.7 Appointments to the Remuneration Committee shall be for a period of up to three years, which may be extended for two further three year periods, provided the director still meets the criteria for membership of the Remuneration Committee.
- 2.8 Members of the Remuneration Committee shall be named in the Annual Report and Accounts of the Company.

3. SECRETARY

- 3.1 The Company secretary or their nominee shall act as secretary of the Remuneration Committee.
- 3.2 The secretary of the Remuneration Committee shall also act as a coordinating intermediary between the Board and the Remuneration Committee.

4. QUORUM

The quorum necessary for the transaction of business shall be two members of the Remuneration Committee. A duly convened meeting of the Remuneration 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 Remuneration Committee.

5. FREQUENCY OF MEETINGS

Meetings shall be held as and when appropriate, but in any event shall be held not less than twice per calendar year. Any member of the Remuneration Committee may call a meeting and the chairman of the Board may request a meeting if he/she reasonably considers that one is necessary. Meetings should be organised so that attendance is maximised.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Remuneration Committee shall be called by the secretary of the Remuneration Committee at the request of any of its members.
- 6.2 Notice of each meeting confirming the venue, place and time, and enclosing an agenda of items to be discussed, shall be forwarded to each member of the Remuneration Committee not less than three working days before such meetings, or such lesser period to which all members agree. Supporting papers shall be sent to Remuneration Committee members and to other attendees as appropriate at the same time.
- 6.3 Meetings of the Remuneration Committee may be conducted when the members are physically present or in the form of either video or audio conferences.

7. CONDUCT OF MEETINGS

Except as outlined above, meetings of the Remuneration Committee shall be conducted in accordance with the provisions of the Company's Articles of Association governing the proceedings of directors.

8. MINUTES OF MEETINGS

8.1 The secretary shall minute the proceedings and resolutions of all Remuneration Committee meetings, including the names of those present and in attendance.

8.2 The minutes of meetings of the Remuneration Committee shall be made available to all members of the Board unless a conflict of interest exists.

9. ANNUAL GENERAL MEETING

The Chairman should attend the annual general meeting to answer any shareholder questions on the Remuneration Committee's activities. He should also ensure that the Company maintains good contact with shareholders about remuneration in the same way as for other matters.

10. DUTIES

10.1 The Remuneration Committee shall be responsible for determining the policy and all elements of the remuneration of the executive directors of the Company and other senior executives ("**the Executives**") of the Group and the duties of the Remuneration Committee shall be:

The Remuneration Committee shall:

- (A) determine and agree with the Board the framework or broad policy for the remuneration of the Group's Chief Executive Officer, chairman of the Board, the executive directors, the Company Secretary and such other members of the executive management as it is designated to consider ("executive management" shall include, without limitation, any persons who report directly to the Group's Chief Executive Officer). The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration;
- (B) in determining such policy, take into account all factors which it deems necessary including the promotion of the long-term success of the Group. 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;
- (C) review the ongoing appropriateness and relevance of the remuneration policy;
- (D) approve the design of, and determine targets and upper limits for, any performance related pay schemes operated by the Group and approve the total annual payments made under such schemes, ensuring that any performance based remuneration arrangements are clearly aligned with business strategy and objectives, and are regularly reviewed. Overall arrangements should be prudent, be well communicated, incentivise effectively and recognise shareholder expectations;

- (E) ensure that performance related elements of remuneration form a proportion of the total remuneration package;
- (F) 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 and other senior executives and the performance targets to be used;
- (G) ensure that any performance related pay schemes or share incentive plans operated by the Group are compatible with the Group's risk policies and systems;
- (H) determine the policy for, and scope of, pension arrangements for each executive director and other senior executives and members of the executive management;
- (I) 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;
- (J) within the terms of the agreed policy and in consultation with the chairman of the Board and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each executive director, senior executives and other members of the executive management including bonuses, incentive payments and share options or other share awards;
- (K) in determining such packages and arrangements, give due consideration to laws and regulations, the provisions of the UK Code on Corporate Governance and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency and any other applicable Rules as appropriate; and
- (L) obtain reliable, up-to-date information about remuneration in other companies within the same sector, but ensure that automatic increases are not implemented and consider relative performance, judging the implications carefully. The Remuneration Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

11. 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.

12. REPORTING PROCEDURES

- 12.1 The Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the Remuneration Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 12.2 All decisions of the Remuneration Committee in respect of the remuneration of the executive directors shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board at a meeting which is properly convened and constituted and in accordance with the Company's Articles of Association, provided that the Board shall only have the power to approve without modification or reject the decisions of the Remuneration Committee, but that no director shall be entitled to vote or be counted in the quorum in respect of any resolution relating to his own remuneration.

- 12.3 The Remuneration Committee shall produce an annual report of the Company's remuneration policy and practices which will form part of the Company's Annual Report and ensure each year that it is put to shareholders for approval at the Company's Annual General Meeting.

13. OTHER MATTERS

- 13.1 The Remuneration Committee shall

- (A) have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- (B) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (C) give due consideration to laws and regulations, the provisions of the UK Code on Corporate Governance and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate
- (D) arrange for an annual review 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.

14. AUTHORITY

- 14.1 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 reasonable requests made by the Remuneration Committee.
- 14.2 The Remuneration Committee is authorised by the Board to obtain, at the Company's expense, outside professional advice and to secure the attendance 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 Board.
- 14.3 The Remuneration Committee will consult the chairman of the Board and/or Chief Executive Officer (as and when appropriate) of the Company in connection with any proposals and those persons may be invited to attend relevant meetings (or parts thereof) of the Remuneration Committee.

15. PROCEDURE

- 15.1 Subject to the constitutional documents of the Company and these terms of reference, the Remuneration Committee shall determine its own procedures.