

## TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

(approved at a meeting of the board of directors held on 17 September 2009)

### Constitution

1. The Board has established a committee known as the Remuneration Committee. The purpose of this committee is to ensure that the remuneration of executive directors and senior management (which is made up of basic salary, benefits and incentives), together with their terms and conditions of employment, is appropriate, and also sufficient to recruit and retain individuals of calibre required to ensure the continued success of the business.

### Membership

2. The remuneration committee members shall be appointed by the board on the recommendation of the nomination committee and in consultation with the chairman of the remuneration committee in accordance with the Company's articles of association from amongst the independent non-executive directors of the Company. 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.
3. The remuneration committee shall comprise at least two members.
4. The board shall appoint the chairman of the remuneration committee who shall be an independent non-executive director. In the absence of the chairman of the remuneration committee (and/or an appointed alternate member), the members present at any meeting of the committee should elect one of their numbers to chair the meeting. The chairman of the board shall not be chairman of the committee.
5. The chairmen and members shall be listed each year in the annual report.
6. The company secretary or their nominee shall be the secretary of the remuneration committee.
7. If any member of the remuneration committee is unable to act for any reason, the chairman of the remuneration committee may appoint another independent non-executive director of the Company agreed by the other members of the remuneration committee, to act as that member's alternate.
8. The members of the remuneration committee shall serve on the remuneration committee at the discretion of the board and may be removed by the board.
9. Each member of the remuneration committee shall disclose to the remuneration committee:
  - (a) any personal financial interest (other than as a shareholder) in any matter to be decided by the remuneration committee; or
  - (b) any potential conflict of interest arising from a cross-directorship.
10. Any such member shall abstain from voting on resolutions of the remuneration committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so requested by the board) shall resign from the remuneration committee.

### Attendance at meetings

11. No one other than the members of the remuneration committee are entitled to be present at a meeting of the remuneration committee other than by invitation.
12. The chairman and members shall have the discretion to decide who else shall be invited to attend.
13. The chairman of the company and/or chief executive shall be invited by the remuneration committee to attend meetings to discuss the performance of the other executive directors and to make proposals as necessary.
14. The remuneration committee may consult the other non-executive directors in its evaluation of the chief executive.
15. No director shall be present when his own remuneration is being discussed, and no director shall be involved in any decision as to his own remuneration.

### Meetings

16. The chairman of the remuneration committee may convene meetings at his discretion. A meeting of the remuneration committee may be called by any member of the remuneration committee or by the secretary, but in any event a meeting shall be held at least three times in each year.
17. The quorum for meetings of the remuneration committee shall be two members present throughout the meeting in person, by telephone or videoconference.
18. Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers where appropriate shall be forwarded to each member of the remuneration committee and to each other person invited to attend, not less than three working days prior to the date of the meeting. All reasonable efforts shall be made to give notice of meetings of the remuneration committee to all members of it and to arrange such meetings so that members are able to attend them.
19. In the event of equality of votes, the chairman of the remuneration committee shall have a casting vote.
20. The secretary of the remuneration committee shall prepare minutes of any meeting of the remuneration committee, including the name of those present and in attendance. Minutes of committee meetings shall be circulated promptly to all members of the committee and, once agreed, to all members of the board, unless a conflict of interest exists.
21. The chairman of the remuneration committee shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities. 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.
22. The chairman of the remuneration committee shall be available to answer questions about the committee's activities at the annual general meeting of the Company. All members of the remuneration committee shall also attend the annual general meeting.

## Authority and duties

23. The remuneration committee is authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee of the Company or any of its subsidiaries in order to perform its duties. All employees are directed to co-operate with any request made by the remuneration committee.
24. The remuneration committee is authorised by the board, at the Company's expense, to obtain inside and outside legal or other professional advice, as well as information about remuneration practices elsewhere (including by appointment of remuneration consultants, and commissioning or purchasing of any relevant reports, surveys or information which it deems necessary to help fulfil its duties). The remuneration committee may, if it thinks fit, supply to others information about the company's remuneration practices.
25. The duties of the remuneration committee shall be:
  - (a) to make recommendations to the board on the company's framework of executive remuneration and its cost giving full consideration to the matters set out in Code provision B (headed "Remuneration") of, and Schedule A to, the Combined Code;
  - (b) to determine, on the board's behalf, the entire individual remuneration packages for two executive directors and to recommend and monitor the level and structure of remuneration for senior management, giving full consideration to the matters set out in Code provision B (headed "Remuneration") of, and Schedule A to, the Combined Code, including approving the following in respect of each of the two executive directors:
    - (i) a service contract;
    - (ii) any benefit, pension and/or incentive scheme entitlement;
    - (iii) any other bonuses, fees and expenses; and
  - (iv) any compensation payable (including pension contributions) on the termination of a service contract;
  - (c) in relation to each of the following cash bonus and equity incentive plans listed below,
    - The Future Network plc 1999 International Share Option Scheme;
    - The Future Network plc 1999 Inland Revenue Approved Share Option Scheme;
    - The Future Network plc 2000 US Stock Option Plan;
    - The Future Network plc Inland Revenue Approved Sharesave Scheme;
    - The Future Network plc Matched Award Plan;
    - Future plc Share Incentive Plan;
    - Future plc Deferred Annual Bonus Plan; and
    - Future plc Performance Share Planand any other scheme or plan which may be implemented from time to time (the Plans) to:
    - (i) determine policy for the grant of awards/options to executive directors and senior management, to ensure that they are provided with appropriate incentives consistent with the Company's policy as stated in the directors' remuneration report for the Company's last audited financial year;

- (ii) approve all and any awards/options to executive directors and senior management, including consideration of the quantum of grants and vesting schedules within a framework set by the board;
  - (iii) set appropriate performance targets in connection with the awards and options;
  - (iv) determine whether such performance targets have been satisfied;
  - (v) approve any amendments to the Plans prior to obtaining any necessary shareholder approval;
  - (vi) exercise any discretion specified in the rules of the Plans and generally oversee the administration of Plans offered to executive directors and/or senior management;
  - (vii) to consider and review the terms of any new equity plans for executive directors and/or senior management; and
  - (viii) to advise on any major changes in employee benefit structures throughout the Company or group which relate to executive directors and senior management;
- (d) to assist the board in preparing an annual report to shareholders for the purposes of, and in accordance with, the Companies Act 2006, the Disclosure Rules of the UK Listing Authority and the provisions of the Combined Code and ensure each year that it is put to shareholders for approval at the AGM. The report will form part of, or be annexed to, the Company's annual report and accounts;
- (e) to appoint consultants in respect of executive director remuneration and make the terms of reference of such consultants together with a statement of whether they have any other connection with the company, available (by making it available on request and placing it on the company's website);
- (f) to consider any other matters as referred to the remuneration committee by the board; and
- (g) to review its own performance, constitution and terms of reference, at least once a year, to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.