

Remuneration Policy Report

The Company's remuneration policy provides that fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited. Directors are remunerated in the form of fees payable monthly or quarterly in arrears, paid to the Director personally or to a specified third party. There are no long term incentive schemes, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively. Directors' remuneration comprises solely Directors' fees. The current and projected Directors' fees for 2013 and 2014 are shown in the table below. The Company does not have any employees.

Directors' fees – Current and Projected

	Directors' Fees 2014 £	Directors' Fees 2013 £
David Quysner	9,025	27,000
John Cornish	21,000	21,000
Paul Gaunt	18,000	18,000
Richard Holway	18,000	18,000
Dr Chris Martin	18,000	18,000
Robert Jeens	23,918	5,984

Note 1. Robert Jeens was appointed a Director on 1 August 2013.

Note 2. David Quysner will be retiring as Chairman and a Director on 2 April 2014. Robert Jeens will be appointed Chairman on 2 April 2014.

The Board consists of non-executive Directors whose appointments are reviewed by the Board as a whole. None of the Directors has a service contract with the Company and any Director may resign by notice in writing to the Board at any time; there are no set notice periods and no compensation is payable to a Director on leaving office.

No communications have been received from shareholders regarding Directors' remuneration.

Policy is reviewed annually by the Remuneration and Management Engagement Committee regarding the level of fees of Directors. This includes consideration of the appropriate level of fees for each Director. In reviewing Directors' fees the Committee takes into account the time, commitment and Committee responsibilities of each Director. The Committee also takes into account the fees paid to directors of companies within its peer group.

The Company's Articles of Association limit the aggregate fees payable to Directors to £150,000 per annum. The policy is for the Chairman of the Board and of each relevant Committee to be paid a fee which is proportionate to the additional responsibilities involved in the position. It is intended that the above remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

It is the Board's intention that the remuneration policy will be put to a shareholders' vote at least once every three years.

An Ordinary resolution for the approval of this policy will be put to shareholders at the forthcoming AGM. This report forms part of the Directors' Remuneration Report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Approval

This Remuneration Policy Report was approved by the Board on 5 March 2014 and subsequently approved by shareholders at the Annual General Meeting held on 2 April 2014: