

ENQUEST PLC

(THE "COMPANY")

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (THE "COMMITTEE") (approved at a meeting of the board of directors (the "Board") held on 1 March 2010)

1. TERMS OF REFERENCE TO BE MADE AVAILABLE

The Committee should make available these terms of reference, explaining its role and the authority delegated to it by the Board. (The requirement to make this information available would be met by making such information available on request and including these terms of reference and such explanation on the Company website).

2. MEMBERSHIP

2.1 The members of the Committee shall be appointed by the Board on the recommendation of the Nomination Committee in consultation with the chairman of the Committee. The Committee shall be made up of at least three members, all of whom are independent non-executive directors.

2.2 The Board shall appoint the chairman of the Committee who shall be an independent non-executive director and determine the period for which they shall hold office. In the absence of the appointed Chairman of the Committee and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The chairman of the Board shall not be eligible to be appointed as chairman of the Committee.

2.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for no more than two further three-year periods, provided that at any one time all members of the Committee remain independent.

2.4 In deciding chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.

3. SECRETARY

The Company secretary or their nominee shall act as the secretary of the Committee.

4. MEETINGS

4.1 **Frequency:** The Committee shall meet at least twice a year and at such other times as the chairman of the Committee shall require.

4.2 **Right to attend:** No one other than the Committee chairman and its members is entitled to be present at a meeting of the Committee but other individuals (for example, such as the Chief Executive, head of human resources and external advisers) may be invited to attend for all or part of any meeting as and when appropriate.

4.3 **Notice:** Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

4.4 **Quorum:** The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the 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 Committee.

4.5 **Minutes:** The secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names 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.

5. **ANNUAL GENERAL MEETING**

The chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

6. **DUTIES**

The Committee members are reminded of the overarching duties that they have as directors of the Company under the Companies Act 2006. In addition, they have the following specific duties as regards their membership of the Committee. In carrying out these specific duties, the members of the Committee shall have regard to the Main and Supporting Principles at B.1 and B.2 of the Combined Code and their detailed Provisions, including schedule A to the Combined Code which contains provisions on the design of performance-related remuneration.

6.1 The Committee shall:

As regards determining and monitoring policy on and setting levels of remuneration

- (a) determine and agree with the Board the framework or broad policy for setting remuneration for the Chief Executive, the Chairman, all executive directors, the Company secretary and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors (including members of the Committee) 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 policy on executive remuneration, the objective of such policy shall be to ensure that levels of remuneration are sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and that incentives are provided as appropriate to encourage enhanced performance and to reward, in a fair and responsible manner, directors' individual contributions to the success of the Company;
- (c) keep under review the appropriateness and relevance of the remuneration policy;
- (d) within the terms of the agreed policy, have delegated responsibility for setting the total individual remuneration package of all executive directors and the chairman including, where appropriate, pension rights and any bonuses, incentive payments, share options or other share awards;
- (e) recommend and monitor the level and structure of remuneration for senior management;
- (f) consult with the Chairman and/or Chief Executive about the Committee's proposals relating to the individual remuneration packages of other executive directors (and senior managers as required);

- (g) oversee any major changes in employee benefit structures throughout the Company or group;
- (h) review and note annually remuneration trends and employment conditions across the Company or group;
- (i) obtain reliable, up-to-date information about remuneration in other companies with a view to determining where to position the Company relative to other companies;
- (j) in agreeing the policy for the level and make-up of remuneration, and in determining total remuneration packages and arrangements of executive directors and other senior managers, give due regard to any relevant requirements, provisions and recommendations of the Combined Code as well as the UK Listing Authority's Listing Rules and associated guidance;

As regards early termination

- (k) determine the Company's policy in relation to compensation agreed to be paid to any executive director or other senior managers in connection with early termination of employment and, where appropriate, office as director;
- (l) 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;

As regards performance-related pay

- (m) approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- (n) 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 management and the performance targets to be used;
- (o) ask the Board, when appropriate, to seek shareholder approval for all new long term incentive schemes (as defined in the Listing Rules) as well as any significant changes to existing schemes, save in the circumstances permitted by the Listing Rules;

As regards pension arrangements

- (p) determine the policy for and scope of pension arrangements for each executive director;

As regards authorising claims for expenses from the Chief Executive and Chairman

- (q) agree the policy for authorising claims for expenses from the Chief Executive and Chairman of the Company;

As regards reporting and disclosure

- (r) ensure that all provisions regarding disclosure of directors' remuneration including pensions arrangements, as set out in the Companies Act 2006, in Part 4 of The Large and Medium Sized Companies and Groups (Accounts and Reports)

- (s) produce an annual report on the Company's remuneration policy and procedures and practices, particularly with regard to the work of the Committee, which will form part of the Company's annual report and ensure each year that it is put to shareholders for approval at the annual general meeting as required under the Companies Act 2006;
- (t) produce the statement required to be included in the annual report of the Company identifying the membership of the Committee and the frequency of, and attendance by members at, Committee meetings over the course of the year; and
- (u) produce the statement required to be included in the annual report describing how annual performance evaluation of the board, its committees and individual directors has been conducted.

As regards remuneration consultants

- (v) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms for any remuneration consultants who advise the Committee, at the Company's expense;
- (w) where remuneration consultants are appointed, make a statement available of whether they have any other connection with the Company.

As regards general

- (x) to consider other matters as referred to the Committee by the Board.
- (y) any area within its remit where action or improvement is needed.

7. ANNUAL REVIEW

The Committee shall, at least once a year, review its own performance, constitution and these terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

8. REPORTING RESPONSIBILITIES

- 8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.3 In addition, all evaluations, reviews and decisions of the Committee made in respect of policy on or for setting remuneration shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board in accordance with the Company's articles of association.

9. AUTHORITY AND POWERS

- 9.1 The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 9.2 The Committee is authorised to obtain, at the Company's expense, any outside legal or other professional advice on any matters within its terms of reference and within any budgetary restraints imposed by the Board, to appoint remuneration consultants, and to

