

FIBERWEB PLC REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Membership

- 1.1. Members of the Remuneration Committee shall be appointed by the Board on the recommendation of the Nomination Committee and in consultation with the Chairman of the Remuneration Committee.
- 1.2. The Committee shall be made up of at least two members, both of whom shall be independent non-executive directors. The quorum shall be two members.
- 1.3. The Chairman of the Committee shall be appointed by the Board. In his absence the remaining members present shall elect one of themselves to chair the meeting. The Chairman of the Board shall not be Chairman of the Committee.
- 1.4. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting as and when appropriate.

2. Meetings

- 2.1. The Remuneration Committee shall meet at least twice a year and at such other times as may be necessary to discharge its duties.
- 2.2. The Chairman of the Committee shall call a meeting at the request of any member of the Board.
- 2.3. It is the responsibility of the Chairman of the Committee to decide what data he or she considers necessary for the purpose of any discussion, to obtain such data for the Committee and to see that it is circulated to the Committee.
- 2.4. The Company Secretary or his/her nominee shall be Secretary of the Committee.
- 2.5. The Chairman of the Committee shall report to the Board on matters dealt with by the Committee, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.
- 2.6. Minutes of Remuneration Committee meetings shall be circulated to the Chairman of the Committee and, once agreed, to all Board members, unless it would be inappropriate to do so.
- 2.7. The Chairman of the Committee (or a duly appointed deputy) should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

3. Authority

- 3.1. The Remuneration Committee is authorised to pursue any activity within its terms of reference.
- 3.2. The Remuneration Committee is authorised, at the Company's expense, to obtain market data, commission surveys and seek independent legal or other professional advice as may be required to assist it in carrying out its duties. The Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Remuneration Committee.

4. Duties

In carrying out its duties under these Terms of Reference, the Committee shall:

- 4.1. Determine and agree with the Board the remuneration of the Company's executive directors and the Company Secretary and the framework or broad policy for such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Board as a whole on the recommendation of the Chairman and the executive members of the Board, obtaining independent advice where appropriate. The remuneration of the Chairman shall be a matter for the Board as a whole on the recommendation of the Chief Executive Officer. No director or manager shall be involved in any decisions as to their own remuneration;
- 4.2. In determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company 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 Company;
- 4.3. Review, not less than once a year, the ongoing appropriateness and relevance of the remuneration policy;
- 4.4. 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;
- 4.5. 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, the Company Secretary and other designated senior executives and the performance targets to be used;
- 4.6. Make recommendations to the Board as to the adoption and implementation of share plans and to any amendments to the terms of such share plans;

- 4.7. Consider and review the risk implications in respect of the design, implementation and operation (including payout) of remuneration arrangements across the Group;
- 4.8. Determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
- 4.9. Review the terms of service agreements for each executive director and other executive management from time to time;
- 4.10. 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;
- 4.11. Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each executive director, the Company Secretary and other designated senior executives including bonuses, incentive payments and share options or other share awards;
- 4.12. In determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations in the UK Corporate Governance Code and the UK Listing Authority's Listing Rules and associated guidance;
- 4.13. When setting remuneration policy for directors, review and have regard to the remuneration trends across the Company or group;
- 4.14. Oversee any major changes in employee benefit structures throughout the Company or group;
- 4.15. Ensure that all provisions regarding disclosure of remuneration including pensions as set out in the UK Corporate Governance Code and as required by any other law or regulation are fulfilled; and
- 4.16. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee: and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
- 4.17. The Committee shall agree the policy for authorising claims for expenses from the directors.

5. Reporting Responsibilities

- 5.1. The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 5.3. The Committee shall produce a report of the Company's remuneration policy and practices to be included in the Company's Annual Report and Accounts and ensure each year that it is put to shareholders for approval at the AGM.

6. Other Matters

The Committee shall:

- 6.1. give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable Rules, as appropriate;
- 6.2. arrange for periodic reviews 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.