

TERMS OF REFERENCE FOR A REMUNERATION COMMITTEE OF THE BOARD OF SPECTRIS PLC

Constitution

1. The Remuneration Committee shall be formed under the provisions of Article 119 of the Company's Articles of Association and shall conduct itself as prescribed therein.
2. The Committee shall consist of the (independent) Chairman of the Board and all Non-Executive Directors, with the Chief Executive normally in attendance. The Chairman of the Committee shall be appointed by the Board. The attendance of at least two members shall be necessary to constitute a quorum.

Meetings

3. Meetings shall be called as required to carry out the duties of the Committee.

Duties and Authorities

4. The Committee shall make recommendations to the Board regarding the broad policy for the remuneration of the Chairman, Chief Executive, Executive Directors, and Company Secretary.

Within the terms of the agreed policy, the Committee shall determine:

- the total individual remuneration package including, where appropriate, bonuses and share-based incentives;
- the targets for any performance-related incentives;
- the scope of any pension arrangements;
- contractual terms of engagement and any payments to be made on termination; and
- the policy for authorising claims for expenses from the Chairman and Chief Executive.

The Committee shall also monitor the level and structure of remuneration for business unit Presidents or Managing Directors.

5. The Committee shall be exclusively responsible for appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
6. The remuneration of Non-Executive Directors shall be a matter for the Chairman and Executive Directors.

7. The Committee shall authorise on behalf of the Board all grants of share options to Executive Directors and all grants to other group employees exceeding 2,000 shares.
8. The Committee shall give due consideration to the proposals of the Chairman and/or Chief Executive regarding remuneration matters and shall be cognisant of the provisions of Section B1 and Schedule A of the Combined Code.

Reporting Procedures

9. The Chairman shall ensure that the recommendations of meetings are minuted and that the minutes are circulated to members of the Board.
10. The Directors' Remuneration Report shall disclose the membership of the Committee, describe its work and processes and provide disclosure in accordance with the Directors' Remuneration Report Regulations 2002, the Listing Rules and the Combined Code. The Chairman of the Committee shall be available to answer questions on remuneration principles and practice at Annual General Meetings of the Company.
11. These Terms of Reference shall be made available on request and published on the Company's website.

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