

## Report of the remuneration committee on Directors' remuneration

The Remuneration Committee of the Board, whose membership is set out on page 21, consists solely of non-executive directors. Its terms of reference include making recommendations to the Board in respect of the Group policy on executive and senior management remuneration; and the consideration and determination of the remuneration of the executive directors and senior management. It also oversees all employee share schemes. The Chairman and Chief Executive are fully consulted on remuneration proposals.

### Remuneration policy

The main aim of the Group's remuneration policy is to reward the Group's executive directors and senior management competitively, having regard to other comparable companies and the need to ensure that they are properly remunerated and motivated to perform in the best interests of shareholders. Performance related rewards, based on measured and stretching targets, are therefore an important component of remuneration packages.

The Remuneration Committee obtains external advice from independent firms of compensation and benefit consultants when necessary.

The main elements of the remuneration package for executive directors and senior management are basic salary and benefits, performance related annual bonus, pension benefits and share options. In addition, there are long-term incentive plans in place for executive directors and senior management.

### Basic salary and benefits

The salaries for executive directors are reviewed annually in January having regard to the job size, responsibility levels, personal performance and competitive market practice.

Benefits include a company car (or car allowance) and health insurance costs. No fees are payable to executive directors.

### Performance related annual bonus

The Group operates a performance related cash bonus scheme for executive directors and senior management. Payment of an annual bonus depends on the achievement of operating profit targets and personal goals. A percentage of the bonus is payable by reference to profit targets and the balance is payable by reference to individual performance criteria. The maximum annual bonus payable is up to 80% of basic salary for the Chief Executive and 70% for the other executive directors and senior management.

### Pensions

Pensions for executive directors and senior management are calculated on basic salary only and no incentive or benefit elements are included.

The executive directors participate in a defined benefit pension plan designed to provide a pension of two-thirds of pensionable salary on retirement with full service. Normal retirement age is 65. In addition, contributions are made to a defined contribution scheme on the excess of basic salary over pensionable salary. The difference arises from the capping of salary increases for defined benefit pension plan purposes to 5% per annum since 2005.

### Executive share option scheme

An executive share option scheme was established in May 2004. It is policy to grant options under this scheme to key executives across the Group to encourage identification with shareholders' interests. Options are granted solely at the discretion of the Remuneration Committee. Under the scheme rules, options cannot be granted to non-executive directors. The initial grant of options complied with institutional guidelines. In respect of grants since admission, the maximum grant that can normally be made to any individual in any one year is an award of 150% of salary in that year.

Options will not normally be exercisable until three years after the date of grant and are subject to meeting a specific performance target. This performance target requires the Group's earnings per share (before exceptional items) to increase by 5% in excess of the Irish Consumer Price Index over three years on a compound basis, in order for options to vest. If the performance target is not met after the relevant three year period, the options lapse.

Details of Directors' share options are set out on page 35.

The cost of the vesting of these awards is amortised over the vesting period to the extent that the Directors believe that the awards will vest.

### Long term incentive plans

A share-based Long Term Incentive Plan for executive directors and senior management was established at the time of the Group's admission to listing in May 2004. The nature and level of incentives available and the relevant performance criteria were not specified at the time, but following consultation with the Irish Association of Investment Managers ("IAIM") a plan has been introduced, the terms of which have met its approval.

Under the plan, awards of up to 60% of basic salary may be granted. Awards are in the form of nil-cost options over shares, based on the closing share price on the day before the grant date. For the shares to vest fully, total shareholder return must be in the top quartile of a comparator group over a three-year period. None of the award vests for below median performance. 30% of the award vests for median performance with straight-line pro-rating between the median and upper quartile. In addition to the total shareholder return condition, earnings per share growth (before exceptional items) must increase by 5% in excess of the Irish Consumer Price Index on a compound basis over the same three-year period. If both these conditions are not met at the end of the relevant period, the options lapse.

Details of Directors' interests in share options granted under the Long Term Incentive Plan are set out on page 35.

The cost of the vesting of these awards is amortised over the vesting period to the extent that the Directors believe that the awards will vest.

The Committee introduced a special cash-based long-term incentive plan for Brendan McGuinness in October 2005 and consequently he was not eligible to participate in the above share-based Long-Term Incentive Plan. While the Listing Rules generally require that any long-term incentive plan is approved by shareholders before it is adopted, the plan for Brendan McGuinness met the criteria under which this requirement did not apply. In addition, the IAIM was consulted regarding the principal terms of the plan.

The long-term incentive plan provided for a maximum €1 million cash payment, payable on meeting a performance condition based on a very stretching operating profit target for the Magners business in Great Britain for the period ended 29 February 2008. The Committee believed that the target if reached, would benefit all shareholders. Full payment would be made only if the target was reached. There was also a minimum target below which no payment would be made. The payment was non-pensionable.

The operating profit target set out under this long term incentive plan was met in the year ended 29 February 2008. Consequently, the plan vested in full and was approved for payment by the Remuneration Committee. The cost of this plan was recognised over the vesting period.

#### **Non-executive directors' remuneration**

The remuneration of the non-executive directors is determined by the Board of Directors as a whole. The Chairman is not involved in determining his own remuneration.

The fees paid to non-executive directors are set at a level which aims to attract individuals with the necessary experience and ability to make a significant contribution to the Group.

#### **Promoting all-employee share ownership**

The Group entered into an agreement in 2001 with trade unions representing the majority of its employees, which provided for an initial grant of free shares to eligible employees; the establishment of an approved save as you earn scheme; and the establishment of an approved profit sharing scheme, all after the completion of an initial public offering.

On admission, 9.4 million ordinary shares with an aggregate value of €21.3 million were issued to fulfil the Group's obligations under the free share arrangements. These shares were held by employee trusts approved by the Irish/UK Revenue but have now been distributed to employees as the relevant holding periods have expired.

A discretionary scheme was put in place for the year ended 28 February 2007. Under this scheme, due to exceptional earnings per share growth in that year, the Remuneration Committee and the Board have approved a share allocation of between 3% and 4% of basic salary remuneration to employees subject to a minimum allocation of €1,000 per employee. The cost which was reflected in the income statement for the year ended 28 February 2007 was €2.5 million. The Group purchased 189,061 shares during the current financial year and placed these shares in Irish/UK revenue approved employee trusts, where they are held for the benefit of each employee and where each employee has full voting rights and dividend entitlements. However employees face tax penalties should they dispose of the shares before the expiry of the holding period.

#### **Service contracts**

Group policy is to ensure that all future contracts will have notice periods of less than one year. Other than the service contracts of Brendan Dwan, whose contract has no specified notice period, and Brendan McGuinness, whose contract specified a two year notice period, there are no service contracts with notice periods in excess of twelve months.

#### **Directors' remuneration and interest in share capital**

Details of the overall Directors' remuneration charged to the Group Income Statement is shown in note 27 on page 85. Individual directors' remuneration and pension benefits for the year ended 29 February 2008 are given on page 33. Directors' share options and the interests of the Directors and Secretary in the share capital of the Company are shown on pages 34 to 35.

## Report of the remuneration committee on Directors' remuneration *continued*

### Directors' remuneration - 2007/08

	Basic Salary €000	Other Remuneration €000	Benefits in Kind €000	Annual Bonus €000	Long Term Incentive Plan €000	Pension Contributions €000	Total 2008 €000
<b>Executive Directors</b>							
Brendan Dwan	378	-	28	-	-	130	536
Brendan McGuinness	408	-	47	-	1,000	140	1,595
James Muldowney	292	-	26	-	-	103	421
Maurice Pratt	731	30	18	-	-	258	1,037
<b>Total</b>	<b>1,809</b>	<b>30</b>	<b>119</b>	<b>-</b>	<b>1,000</b>	<b>631</b>	<b>3,589</b>

### Average number of Executive Directors

4

	Basic Fees €000	Other Fees €000	Benefits in Kind €000	Total 2008 €000
<b>Non-Executive Directors</b>				
John Burgess	65	-	-	65
Liam FitzGerald	65	-	-	65
John Hogan	65	25	-	90
Richard Holroyd	65	7	-	72
Philip Lynch	65	20	-	85
Tony O'Brien	180	-	29	209
Breege O'Donoghue	65	-	-	65
<b>Total</b>	<b>570</b>	<b>52</b>	<b>29</b>	<b>651</b>

### Average number of Non-Executive Directors

7

Amounts charged in respect of equity settled share based employee benefits

480

### Total Directors' remuneration - 2007/08

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 4,720

**Directors' remuneration - 2006/07**

	Basic Salary €000	Other Remuneration €000	Benefits in Kind €000	Annual Bonus €000	Pension Contributions €000	Total 2007 €000	
<b>Executive Directors</b>							
Brendan Dwan	338	-	20	260	116	<b>734</b>	
Brendan McGuinness	363	-	38	280	124	<b>805</b>	
James Muldowney	269	-	19	196	94	<b>578</b>	
Maurice Pratt	638	29	17	566	226	<b>1,476</b>	
<b>Total</b>	<b>1,608</b>	<b>29</b>	<b>94</b>	<b>1,302</b>	<b>560</b>	<b>3,593</b>	
Average number of Executive Directors						4	
				Basic Fees €000	Other Fees €000	Benefits in Kind €000	Total 2007 €000
<b>Non-Executive Directors</b>							
John Burgess			60	-	-	<b>60</b>	
Liam FitzGerald			60	-	-	<b>60</b>	
John Hogan			60	20	-	<b>80</b>	
Richard Holroyd			60	-	-	<b>60</b>	
Philip Lynch			60	20	-	<b>80</b>	
Tony O'Brien			176	-	21	<b>197</b>	
Breege O'Donoghue			60	-	-	<b>60</b>	
<b>Total</b>			<b>536</b>	<b>40</b>	<b>21</b>	<b>597</b>	
Average number of Non-Executive Directors						7	
Amounts charged in respect of equity settled share based employee benefits						<b>677</b>	
<b>Total Directors' remuneration - 2006/07</b>						<b>4,867</b>	

Executive directors' remuneration for the year ended 28 February 2007 has been adjusted to reflect bonuses accrued for the year rather than the bonuses paid in the year resulting in an increase of €140,000 in the amounts disclosed above.

## Report of the remuneration committee on Directors' remuneration *continued*

### Executive Directors' pension benefits

	Employer		Increase		Transfer		Total Accrued	
	Contributions 2008		in Accrued Pension		Value of Increase		Pension at Year End	
	DC Plan	DB Plan	2008	2007	2008	2007	2008	2007
	€000	€000	€000	€000	€000	€000	€000	€000
Brendan Dwan	22	108	8	7	150	150	197	182
Brendan McGuinness	25	115	9	8	159	160	234	217
James Muldowney	10	93	5	5	55	49	38	31
Maurice Pratt	28	230	13	13	211	91	79	63
<b>Total</b>	<b>85</b>	<b>546</b>	<b>35</b>	<b>33</b>	<b>575</b>	<b>450</b>	<b>548</b>	<b>493</b>

Other fees paid to John Hogan, Richard Holroyd and Philip Lynch, represent fees paid as Chairman of the Audit Committee, Senior Independent Director and Chairman of the Remuneration Committee respectively.

### Directors and their interests

The interests of the Directors and Secretary in the share capital of Group companies at the beginning of the year (or date of appointment, if later) and the end of the year were:

#### Interests in C&C Group plc Ordinary shares of €0.01 each

	29-Feb 2008	28-Feb 2007
<b>Directors</b>		
John Burgess	98,727	-
Brendan Dwan	639,005*	639,005*
Liam FitzGerald	13,100	13,100
John Hogan	9,901	9,636
Richard Holroyd	3,105	-
Philip Lynch	60,572	30,289
Brendan McGuinness	1,209,146	1,209,146
James Muldowney	313,142	313,142
Tony O'Brien	1,700,000	1,700,000
Breege O'Donoghue	53,357	46,926
Maurice Pratt	1,013,718	1,010,658
<b>Total</b>	<b>5,113,773</b>	<b>4,971,902</b>

\* 450,000 are held non-beneficially at 28/02/2007 and 29/02/2008.

#### Company Secretary

Noreen O'Kelly	135,500	135,500
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The Directors and Secretary have no beneficial interests in any of the Group's subsidiary undertakings.

Between 29 February 2008 and 30 April 2008, no transactions took place in the Directors' and Company Secretary's interests in the share capital of the Company.

**Interests in share options – Executive Share Option Scheme**  
**Share options over ordinary shares of €0.01 each in C&C Group plc**

	01-Mar-07	Granted during Year	29-Feb-08	Weighted Average Option Price
<b>Directors</b>				
Brendan Dwan	403,100	-	<b>403,100</b>	2.52
Brendan McGuinness	486,200	35,100	<b>521,300</b>	3.59
James Muldowney	343,600	-	<b>343,600</b>	2.51
Maurice Pratt	1,493,600	94,200	<b>1,587,800</b>	3.39
<b>Company Secretary</b>				
Noreen O'Kelly	210,900	-	<b>210,900</b>	2.56

**Analysis of outstanding share options granted under Executive Share Option Scheme**

Date of Grant	19-May-04	20-Jun-05	15-Jun-06	13-Jun-07	
Exercise Price	€2.26	€3.56	€6.52	€11.53	Total
<b>Directors</b>					
Brendan Dwan	322,200	80,900	-	-	<b>403,100</b>
Brendan McGuinness	340,800	85,400	60,000	35,100	<b>521,300</b>
James Muldowney	277,000	66,600	-	-	<b>343,600</b>
Maurice Pratt	1,104,500	246,400	142,700	94,200	<b>1,587,800</b>
	<b>2,044,500</b>	<b>479,300</b>	<b>202,700</b>	<b>129,300</b>	<b>2,855,800</b>
<b>Company Secretary</b>					
Noreen O'Kelly	162,300	48,600	-	-	<b>210,900</b>

Options granted at €2.26 in May 2004 are exercisable in the period from 15/05/2007 to 14/05/2011. Options granted at €3.56 in June 2005 are exercisable in the period from 20/06/2008 to 19/06/2012. Options granted at €6.52 in June 2006 are exercisable in the period from 16/06/2009 to 15/06/2013. Options granted at €11.53 in June 2007 are exercisable in the period 14/06/2010 to 13/06/2014.

**Interests in share options – Long Term Incentive Plan**  
**Share options over ordinary shares of €0.01 each in C&C Group plc**

	01-Mar-07	Granted during Year	Share Price at Grant Date	29-Feb-08
<b>Directors</b>				
Brendan Dwan	30,400	19,500	€11.53	<b>49,900</b>
James Muldowney	24,400	15,100	€11.53	<b>39,500</b>
Maurice Pratt	82,465	25,100	€11.53	<b>107,565</b>
<b>Company Secretary</b>				
Noreen O'Kelly	17,700	11,200	€11.53	<b>28,900</b>

**Analysis of outstanding share options granted under Long Term Incentive Plan**

Date of Grant	12-Jan-06	15-Jun-06	13-Jun-07	
Share Price at Grant Date	€5.53	€6.52	€11.53	Total
<b>Directors</b>				
Brendan Dwan	-	30,400	19,500	<b>49,900</b>
James Muldowney	-	24,400	15,100	<b>39,500</b>
Maurice Pratt	44,365	38,100	25,100	<b>107,565</b>
	<b>44,365</b>	<b>92,900</b>	<b>59,700</b>	<b>196,965</b>
<b>Company Secretary</b>				
Noreen O' Kelly	-	17,700	11,200	<b>28,900</b>

The above are nil cost options and are exercisable in the period from 12/1/2009 to 13/06/2010.

The market price of the Company's shares at 29 February 2008 was €4.50 and ranged during the year from €3.67 to €12.72.