

DIRECTORS' REMUNERATION REPORT

INCLUDING THE STATEMENT OF REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2009

This report, prepared by the Remuneration Committee on behalf of the Board, sets out the policy and disclosures on remuneration for the Executive and Non-Executive Directors of the Board. It takes full account of the Combined Code and the latest ABI/NAPF guidelines and has been prepared in accordance with the provisions of the Companies Act 2006 ("the Act") and the Listing Rules of the Financial Services Authority. The Act requires the Auditors to report to the Company's Shareholders on the audited information within this report and to state whether, in their opinion, those parts of the report have been prepared in accordance with the Act. The Auditors' opinion is set out on page 107 and those aspects of the report which have been subject to audit are clearly marked. A resolution will be put to Shareholders at the Company's Annual General Meeting on 13 May 2010 inviting them to approve this report.

THE REMUNERATION COMMITTEE

The Board has a long established Remuneration Committee ("the Committee"), which meets as frequently as needed but at least twice a year. It is comprised solely of independent Non-Executive Directors. The Committee comprises the following Non-Executive Directors: Mr. C. V. Geoghegan (who chairs the Committee), Mr. D. A. Haxby, Mrs. V. Murray and Mr. J. C. Nicholls, all of whom are independent within the definition set out in the Code. Mr. P. H. Blackburn was Chairman of the Committee until his retirement as a Director of the Company on 30 September 2009. Mr. M. J. C. Borlenghi who also retired as a Director of the Company on 30 September 2009 was a member of the Committee up to that date. Biographical details of the Committee members are set out on page 44. Both the constitution and operation of the Remuneration Committee comply with the principles incorporated in the Combined Code. The fees paid to Non-Executive Directors are determined by the Board. The Non-Executive Directors do not participate in any way in connection with the determination of their own fees.

The role of the Committee is to determine on behalf of the Board, the salary and benefits received by the Chairman and the Executive Directors and for overseeing the remuneration of other Senior Executives. The Committee's Terms of Reference, which are reviewed regularly, are set out on the Company's website www.sigplc.com. Its key responsibilities are:

- to determine the remuneration policy for Executive Directors and such other members of the Executive Management as it is designated to consider;
- to design specific remuneration packages which include salaries, bonuses, equity incentives, pension rights and benefits;
- to review the Executive Directors' service contracts;
- to ensure that failure is not rewarded and that steps are always taken to mitigate loss on termination, within contractual obligations;
- to review remuneration trends across the Group; and
- to approve the terms of and recommend grants under the Group's incentive plans.

The Chief Executive, Mr. C. J. Davies, is consulted on the remuneration of Executive Directors and attends meetings by invitation but does not participate when his own remuneration is discussed. The Chairman of the Board also attends meetings by invitation but does not participate in any way in connection with the determination of his own salary. The Company Secretary provides information to the Committee and is in attendance at meetings. During the year the Committee met six times. Attendance by individual members of the Committee is disclosed in the table on page 52. The Committee also takes independent professional advice, on an ad hoc basis, as required. The Committee reviews its own performance annually and considers where improvements can be made.

During the year the Committee conducted its annual review of remuneration to ensure that the overall remuneration structure continues to promote the Company's business strategy. The Company decided that against the current economic background and uncertainty over the state of the market in 2010, salary increases should be limited accordingly. The 2010 increase across the UK Group was limited to less than 2% of aggregate salaries in total. There were no increases in certain of the Mainland European businesses in 2010. This follows the pay freeze in 2009 for UK employees.

The Committee also reviewed the share scheme performance criteria to ensure its continued appropriateness prior to the grant of Awards under the Long Term Incentive Plans ("LTIP") and options under the Deferred Annual Bonus Scheme ("DABS"). For the LTIP Awards made in 2009, taking account of the substantial fall in the Company's share price, the Committee decided that the maximum award under the 2009 LTIP Award would be reduced from 100% to 50% of base salary. The Committee also decided that for the 2009 award an absolute Earnings per Share ("EPS") target would be set between a prescribed range to be achieved at the end of the three year performance period. Finally 25% (previously 30%) of the award would vest at the threshold level and pro-rata between the threshold (25%) and maximum (100%). The Committee consulted with the Company's major Shareholders and agreed that for 25% of the Award to vest the Company's underlying EPS for the year ending 31 December 2011 must be 10p and for the award to be exercisable in full underlying EPS of 13.5p must be achieved.

As stated in last year's Report, in view of the concern expressed by institutional investors at the level of the Company's net debt, the Committee reviewed the performance criteria for the operation of the 2009 annual bonus scheme and determined that 30% should be linked to debt management and working capital targets, 50% to profit before tax and 20% to personal objectives. For 2010 the Committee has decided that the maximum bonus that can be earned should remain at 100% of base salary for each Executive Director. The performance metrics for the annual bonus will continue to include elements for debt reduction, working capital improvements and the achievement of personal objectives in addition to underlying profit before tax.

Following a review of providers, in November 2009 the Remuneration Committee appointed Kepler Associates, a leading independent executive remuneration consultancy firm, in place of PricewaterhouseCoopers LLP ("PwC") as its adviser. PwC advised the Committee during the 2009 financial year particularly in relation to the operation of the Group's remuneration strategy and the provision of relevant market information for 2009. PwC also provides the Company with taxation advice and consultancy services. Kepler Associates has been commissioned to carry out a full benchmarking review and are advising the Committee on its policy for remuneration in 2010. Kepler Associates does not have any other connection to the Company.

Initially Kepler Associates was commissioned by the Remuneration Committee to carry out a full review of Executive remuneration and has advised the Committee on its remuneration policy going forward. Major Shareholders are being consulted on the Committee's proposed changes. For 2010 onwards, it is proposed that the EPS target attached to the LTIP Award is set with reference to three year cumulative EPS performance and that award sizes be made at their pre-2009 levels. The Committee believes that the use of three year cumulative rather than three year point to point EPS will provide a more robust measure of long term performance. The performance targets will be calibrated to be robust and stretching, with due consideration to the views of our Shareholders. Further, returning LTIP award sizes to their pre-2009 levels will provide Executive Directors with a more appropriate weighting within their total remuneration on long term variable pay. No other changes are proposed for 2010.

For 2011, the Committee anticipates proposing further changes to Executive remuneration and plans to consult with Shareholders later in the year.

DIRECTORS' REMUNERATION REPORT CONTINUED

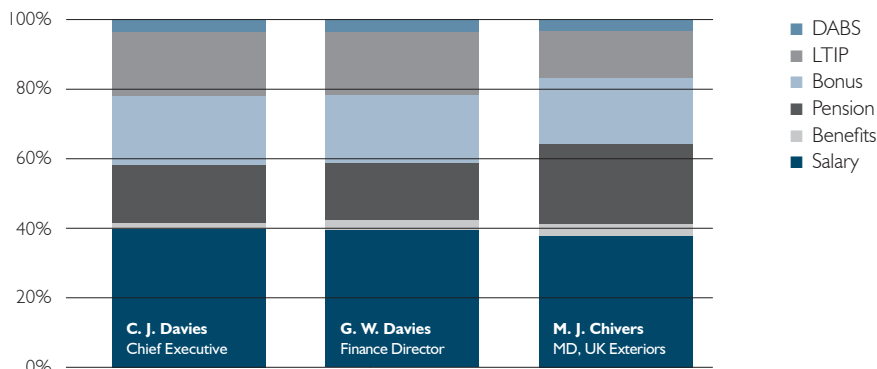
INCLUDING THE STATEMENT OF REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2009

POLICY ON REMUNERATION OF EXECUTIVE DIRECTORS

The Company's policy for 2009 and subsequent years is to provide remuneration packages that fairly reward the Executive Directors for the contribution they make to the business and are competitive enough to attract, retain and motivate Executive Directors and Senior Managers of the right calibre. The policy is designed to incentivise the Directors to meet the Company's financial and strategic objectives such that a significant proportion of remuneration is performance related. The Company's financial and strategic objectives are set out in the Business Review on pages 11 to 13.

The Remuneration Committee has the discretion to consider the Company's performance on environmental, social and governance issues when determining the overall reward for the Executive Directors.

The bar chart below explains the relevant importance of the elements of the remuneration package that are performance related and those that are not.



For the purposes of the chart set out above, salary, benefits and bonuses are the amounts received in 2009. LTIP and DABS awards are included at their face value.

In reviewing Executive Directors' salaries due consideration is given to the levels of increase granted to other employees within the Group and the Committee reviews and notes the total individual remuneration packages of each of the other Senior Executives. The Committee also considers the information from the Company's comparator group, which comprises 18 companies of broadly similar market capitalisation to the Company's (excluding finance and real estate companies) and 17 companies having broadly similar levels of turnover. Basic salaries are reviewed annually or when a change of responsibility occurs.

The Committee considers that the targets set for the different elements of performance related remuneration (including the share option schemes) are appropriate and demanding in the context of the Company's trading environment and the business challenges it faces.

The Committee believes that Earnings per Share ("EPS") continues to be a key measure of long term performance and is appropriate for its share incentive schemes (i.e. LTIP and DABS) as it requires substantial improvements in the underlying financial performance of the Company in order for the options to become exercisable. Deloitte LLP, in their capacity as Auditors, are required to review the calculations as to whether the performance targets for all relevant share schemes have been achieved before any exercise is permitted. For 2010 onwards, as previously stated, it is proposed that the LTIP performance measure should be changed to 50% on relative TSR and 50% on cumulative EPS.

The main components of Executive Directors' remuneration are given below:

BASE SALARY AND BENEFITS (AUDITED)

Base salary and benefits are determined on an annual basis by the Committee based upon the recommendations of the Chief Executive and after a review of the individual's performance, experience and market trends. The Chief Executive does not make recommendations to the Committee in respect of his own remuneration. The Committee takes into account published remuneration information on comparable companies and salary policy within the rest of the Group. During the year Kepler Associates provided the Committee with remuneration benchmarking analysis based on a number of reference points including international sector comparators and size comparators based on companies with a similar market cap and revenue to SIG. Benefits comprise a company car, medical and permanent health insurance. The value of benefits is not pensionable.

Chris Davies was appointed Deputy Chief Executive on 1 January 2008 and succeeded David Williams as Chief Executive on 1 July 2008, at which time his salary was increased from £365,000 p.a. to £465,000 p.a. This salary was set at the lower quartile of market data in recognition of the fact that he was new to the role, and with the intention of moving his pay closer to market median as part of the next review, subject to his performance in the role. At the time of the annual pay review in November 2008, the Committee decided that the base salary of the Chief Executive should be moved closer to the market median, with effect from 1 January 2009. The Independent Directors felt that his quality and contribution were clearly evidenced and warranted this increase. However, in line with the deferment of the January 2009 salary review for all UK employees and the subsequent pay freeze, the Chief Executive felt that it would be inappropriate for an increase in his salary to be made at that time and the Remuneration Committee agreed to defer the increase for a period of 12 months.

With effect from the end of 2009, the Committee decided that, in light of his personal contribution over the last 18 months, the Chief Executive's base salary should be increased to £532,875 p.a., which brings the value of his total package to around 90% of the market median. The Committee decided that the other two Executive Directors should receive base salary increases in line with the increase across the UK Group which was limited to below 2% as indicated in the table below.

The annual rates of base salary in force during the year are shown in the table below:

Name	Annual rate of salary 2009	Annual rate of salary 2010	Increase
C. J. Davies	£465,000	£532,875	14.60%
G. W. Davies	£300,000	£305,000	1.67%
M. J. Chivers	£270,000	£275,000	1.85%

POLICY ON REMUNERATION OF EXECUTIVE DIRECTORS CONTINUED

ANNUAL PERFORMANCE BONUS

The annual performance related bonus provides Executive Directors with an incentive to achieve performance targets, which are set at the beginning of a financial year. The performance metrics for the year under review and the following year are shown in the table below:

Name	Year	Debt management/ working capital improvement	Profit before tax % of salary	Personal objectives % of salary	Maximum bonus of % of salary
C. J. Davies	2009	30%	50%	20%	100%
	2010	30%	50%	20%	100%
G. W. Davies	2009	30%	50%	20%	100%
	2010	30%	50%	20%	100%
M. J. Chivers	2009	30%	50%	20%	100%
	2010	30%	50%	20%	100%

In an exceptionally difficult environment the Group's profit before tax in 2009 was not sufficient for any part of the profit element of the annual bonus to become payable. The debt management and working capital improvement targets were achieved in full resulting in payment in full for this element. It was agreed that as a result of the minimum profit before tax element of the bonus not having been achieved, the maximum payment for the achievement of personal objectives for 2009 would be capped at 75% of the amount payable for this element.

For 2010 the Committee has agreed that the maximum bonus that can be earned should remain at 100% of base salary for each Executive Director. In addition, the performance metrics and respective weightings will remain the same as in 2009 as the Committee believes these aspects of short term performance will continue to be key areas of focus in 2010.

PENSION SCHEMES

All Executive Directors are members of the Group's contributory defined benefit pension scheme, which enables members to retire at age 60 with a maximum pension after 40 years' pensionable service equivalent to two thirds of final pensionable salary. Pensionable salary is basic salary, excluding bonuses. Final pensionable salary is the average of the highest three consecutive pensionable salaries in the last ten years before retirement. For service up to 31 July 2002, pensions in payment are guaranteed to increase by 5% per annum compound. Following consultation with the active membership of the scheme, certain changes were made to the contribution levels and benefits in order to limit future liabilities and, consequently, for service from 1 August 2002, pensions in payment are guaranteed to increase by the lower of 5% per annum or the increase in the Retail Price Index ("RPI"). On death before retirement, a lump sum equal to four times current salary is paid, together with a spouse's pension of 50% of pensionable salary. As part of this scheme, all Executive Directors are covered by permanent health insurance.

In March 2006 the Board agreed that the rules of the Group's contributory defined benefit pension scheme should be amended to permit continued accrual in the scheme to age 65. All members will be permitted to take their benefits at age 60 without abatement if they so wish.

SHARE OPTION SCHEMES

LONG TERM INCENTIVE PLANS ("LTIP")

All Executive Directors are eligible to participate in the LTIP. Under the LTIP participating Directors and other designated Senior Managers are granted nil cost share options up to a maximum of 100% of base salary. In 2004 Shareholders approved the adoption of a new LTIP. Options were granted in each of the five years ended 31 December 2003 under the old Plan and in 2004, 2005, 2006, 2007, 2008 and 2009 under the new Plan. As set out on page 62 in the Directors' share options table under the heading "Long Term Incentive Plan", none of the Executive Directors have awards which had not vested at 31 December 2009 under the old Plan. Awards under the LTIP are not pensionable. Awards under both of the LTIPs are exercisable between three and seven years from the date of grant but the right to exercise options terminates upon the employee ceasing to hold office with the Group, subject to certain exceptions and the discretion of the Remuneration Committee. There were no exercises of discretion by the Committee during the year.

All LTIP awards granted to date are subject to EPS performance conditions. The performance targets attaching to LTIP Awards that are still subject to performance are set out below.

In the case of the awards made in 2004, 2005 and 2006, the performance condition is based on real (in excess of RPI) annual compound growth in EPS as shown below. The three year performance period for awards starts at the beginning of the financial year in which the Award is made. There is no facility for retesting the performance condition after the end of the three year performance period. The performance target for the 2006 Award was not met and consequently all of these awards have lapsed.

	Real annual compound growth in Group EPS over three years	Percentage of Award vesting
Threshold	3%	30%
Maximum	10%	100%
Between threshold and maximum	3%–10%	Pro-rata between 30% and 100%

DIRECTORS' REMUNERATION REPORT CONTINUED

INCLUDING THE STATEMENT OF REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2009

POLICY ON REMUNERATION OF EXECUTIVE DIRECTORS CONTINUED

SHARE OPTION SCHEMES CONTINUED

LONG TERM INCENTIVE PLANS ("LTIP") CONTINUED

In the case of the 2007 Award, the performance condition is based on real (in excess of RPI) annual compound growth in EPS as shown below. The three year performance period for awards starts at the beginning of the financial year in which the Award is made. There is no facility for retesting the performance condition after the end of the three year performance period.

	Real annual compound growth in Group EPS over three years	Percentage of Award vesting
Threshold	5%	30%
Maximum	10%	100%
Between threshold and maximum	5%–10%	Pro-rata between 30% and 100%

In the case of the 2008 Award, the performance condition is based on real (in excess of RPI) annual compound growth in EPS as shown below. The three year performance period for awards starts at the beginning of the financial year in which the Award is made. There is no facility for retesting the performance condition after the end of the three year performance period.

	Real annual compound growth in Group EPS over three years	Percentage of Award vesting
Threshold	5%	30%
Maximum	12%	100%
Between threshold and maximum	5%–12%	Pro-rata between 30% and 100%

The above performance conditions were chosen because they were believed to be challenging and not only take account of the need for long term performance and commitment but also are an important means of aligning the interests of the employees and Shareholders. At the end of the relevant period the Remuneration Committee assesses whether the performance conditions have been satisfied.

In 2009 awards were made under the LTIP to Mr. C. J. Davies and Mr. G.W. Davies with a value of 50% of base salary at 1 January 2009 and to Mr. M. J. Chivers with a value of 40% of base salary as shown in the table on page 62. The Award is subject to a performance target relating to the underlying EPS of the Company for the year ending 31 December 2011. For 25% of the award to vest, the underlying EPS must be 10p and for the Award to vest in full then 13.5p must be achieved.

DEFERRED ANNUAL BONUS SCHEME ("DABS")

In 2004, Shareholders approved the introduction of a DABS. Participants (including Executive Directors) are invited to use up to 50% of their annual performance related cash bonus (after income tax and national insurance) in respect of the preceding financial year to purchase shares in the Company. The purchased shares must be retained for three years. Participants purchasing such shares will be eligible to receive up to a maximum of one additional free matching share for every share purchased, providing certain pre-set real (in excess of RPI) annual compound EPS growth targets are met over a three year period. For 2005, 2006, 2007 and 2008 the performance targets for the DABS are shown below:

	Real annual compound growth in Group EPS over three years	Percentage of Award vesting
Threshold	3%	50%
Maximum	5%	100%
Between threshold and maximum	3%–5%	Pro-rata between 50% and 100%

For 2009 the performance target set for the DABS was the same as that for the LTIP as described above. The EPS target for the award of matching shares in respect of the 2006 scheme was not met and consequently no matching shares have been awarded.

The above performance conditions were chosen because they were believed to be challenging and not only take account of the need for long term performance and commitment but also are an important means of aligning the interests of employees and Shareholders. At the end of the relevant period the Remuneration Committee assesses whether the performance conditions have been satisfied.

Awards made under the DABS are not pensionable and are set out in the table on page 62.

Under the Rules of the LTIP and the DABS outstanding awards vest on termination for certain reasons, such as death, retirement and redundancy or on a change of control, on a time related, pro-rata basis subject to the satisfaction of the relevant performance criteria. If, however, the termination of employment is for a reason other than one of those specified in the Rules, an individual's full award lapses.

EMPLOYEE SHARE SCHEMES

The Executive Directors are also eligible to participate in the Company's SIP, which commenced in November 2005 and is open to all UK employees of the Group. This replaced the Savings Related Share Option Scheme ("SAYE") for UK employees as a decision has been taken not to operate both schemes at the same time.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors, including the Chairman, do not have service contracts. The Company's policy is that Non-Executive Directors are appointed for specific terms of three years unless otherwise terminated earlier by and at the discretion of either party upon three months' written notice. Non-Executive Directors' appointments are reviewed at the end of each three year term. Non-Executive Directors will normally be expected to serve two three year terms, although the Board may invite them to serve for an additional period.

The Executive Directors are responsible for recommending to the Board the fees of Non-Executive Directors. The basic Non-Executive Director fee is calculated by reference to current market levels and takes account of the time commitment and the responsibilities of the Non-Executive Directors. Non-Executive Directors do not receive benefits from the Company and they are not eligible to join the Company's pension scheme or participate in any bonus or incentive scheme or any of the Company's share option schemes. Any reasonable expenses that they incur in the furtherance of their duties are reimbursed by the Company. The Chairman and Non-Executive Directors' fees are reviewed in May each year with any increase being payable from 1 June. These fees were reviewed in May 2009 and were left unchanged.

The dates of their letters of engagement and annual entitlement to fees are set out below:

	Original date of appointment	Date of letter of engagement	Basic fee £	Senior Independent Director Fee £	Chairman of Remuneration/Audit Committee fee £	Total current annual fees £
L. O. Tench	01/03/2003	28/02/2003	145,000	–	–	145,000
C. V. Geoghegan	01/07/2009	08/05/2009	44,500	–	6,000	50,500
D. A. Haxby	01/03/2003	28/02/2003	44,500	2,000	–	46,500
V. Murray	01/07/2009	08/05/2009	44,500	–	–	44,500
J. C. Nicholls	06/11/2009	08/05/2009	44,500	–	8,000	52,500

Mr. C. V. Geoghegan, Mr. D. A. Haxby, Mrs. V. Murray and Mr. J. C. Nicholls as Non-Executive Directors, did not hold or have granted any share options during the year.

SERVICE CONTRACTS

The Executive Directors have service contracts for a continuous term to retirement age providing for a rolling twelve months' notice period in writing by either party.

The service contracts for Mr. M. J. Chivers, Mr. G. W. Davies and Mr. C. J. Davies are dated 1 January 1995, 1 August 2002 and 28 January 2009 respectively. The Company can discharge any obligation in relation to the unexpired portion of their notice period or any notice required to be given under their service contracts by making a payment in lieu thereof subject to the deduction of tax and national insurance. If the Company terminates employment without giving notice or making a payment in lieu, any damages to which the Executive may be entitled is to be calculated in accordance with common law principles, including those relating to mitigation of loss and accelerated receipt. There are no agreements between the Company and its Directors or employees providing for additional compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur in the event of a takeover bid.

SHARE OWNERSHIP GUIDELINES

To better align Executive Director interests with those of Shareholders the Company has established the principle of requiring Executive Directors to build up and maintain a beneficial holding of shares in the Company equivalent to a minimum of one times basic salary. Under normal circumstances it is expected that this should be achieved within five years of 31 December 2004, or within five years of appointment, whichever is the later. It is anticipated that the satisfaction of this target will be mainly achieved by the vesting of shares through the Company's share schemes.

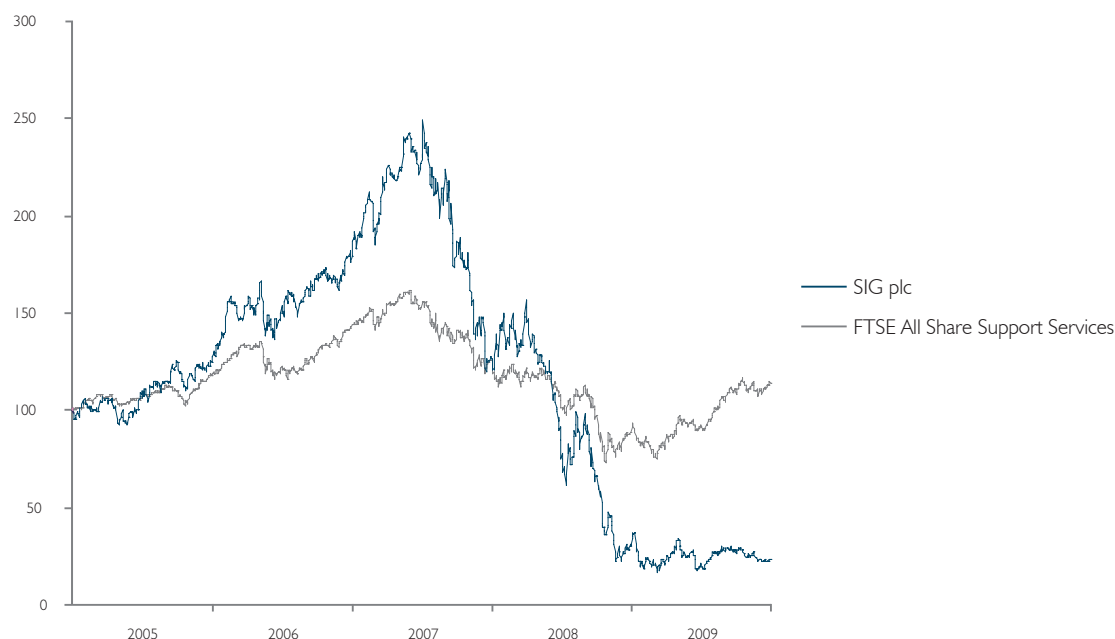
DIRECTORS' REMUNERATION REPORT CONTINUED

INCLUDING THE STATEMENT OF REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2009

PERFORMANCE GRAPH

The graph below shows the Company's TSR performance (share price plus dividends paid) compared with the performance of the FTSE All Share Support Services Index over the five year period to 31 December 2009. This index has been selected because the Company believes that the constituent companies comprising the FTSE All Share Support Services Index are the most appropriate for this comparison as they are affected by similar commercial and economic factors to SIG.

1 JANUARY 2005 TO 31 DECEMBER 2009



TSR (rebased = 100 at 1 January 2005)

DIRECTORS' INTERESTS IN THE SHARES OF SIG plc (AUDITED)

The interests of the Directors in office at 31 December 2009 and of their families in the ordinary shares of the Company at the following dates were:

	31 December 2009	1 January 2009 or date of appointment
M. J. Chivers	121,552*	53,679*
C. J. Davies	108,185*	41,409*
G. W. Davies	157,030*	89,156*
C. V. Geoghegan (appointed 1 July 2009)	40,000	Nil
D. A. Haxby	15,000	Nil
V. Murray (appointed 1 July 2009)	11,500	11,500
J. C. Nicholls (appointed 6 November 2009)	14,220	14,220
L. O. Tench	87,428	34,000

* Includes shares purchased under the SIG plc SIP.

All shareholdings were unchanged as at 17 March 2010 other than on 15 January 2010, Mr. G. W. Davies, Mr. C. J. Davies and Mr. M. J. Chivers acquired a further 91 shares each under the SIG plc SIP, on 15 February 2010, Mr. C. J. Davies, Mr. G. W. Davies and Mr. M. J. Chivers acquired a further 115 shares each under the SIP and on 15 March 2010, Mr. G. W. Davies, Mr. C. J. Davies and Mr. M. J. Chivers acquired a further 99 shares each under the SIP.

DIRECTORS' EMOLUMENTS (AUDITED)

	Salary and fees £000	Annual performance related bonus £000	Benefits £000	2009 Total emoluments £000	2008 Total emoluments £000
Chairman					
L. O. Tench	145	–	–	145	141
Executive					
C. J. Davies	465	209	20	694	503
M. J. Chivers	270	100	24	394	322
G. W. Davies	300	135	22	457	360
Non-Executive					
P. H. Blackburn (resigned 30 September 2009)	39	–	–	39	52
M. J. C. Borlenghi (resigned 30 September 2009)	33	–	–	33	44
C. V. Geoghegan (appointed 1 July 2009)	24	–	–	24	–
D. A. Haxby	52	–	–	52	52
V. Murray (appointed 1 July 2009)	22	–	–	22	–
J. C. Nicholls (appointed 6 November 2009)	8	–	–	8	–
Total	1,358	444	66	1,868	1,829

The base salaries for the Executive Directors as at 1 January 2010 are: Mr. C. J. Davies £532,875; Mr. G. W. Davies £305,000; and Mr. M. J. Chivers £275,000.

There were no expense allowances or compensation for loss of office payments.

There are no deferred bonuses.

The highest paid Director in the year was Mr. C. J. Davies.

Benefits relate to the estimated value of the provision of a company car and medical insurance premiums.

There were no sums paid to third parties in respect of the services of any Director.

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Executive Directors.

DIRECTORS' PENSIONS (AUDITED)

The following Directors had retirement benefits accruing under the Company's main contributory defined benefit scheme in respect of qualifying services during the year:

	Increase in accrued benefits £000	Increase in accrued benefits net of inflation £000	Transfer value of increase in accrued benefits net of inflation* £000	Accrued benefits at 31 December 2009 £000	Transfer value at 31 December 2009 £000	Transfer value at 1 January 2009 £000	Contributions made by Executive to the scheme in the year £000	Transfer value (decrease)/ increase after deducting Executive contributions £000
M. J. Chivers	10	2	19	163	3,811	3,810	20	(19)
C. J. Davies	36	33	678	99	2,167	1,440	39	688
G. W. Davies	7	4	20	79	1,212	1,142	23	47

* After deducting Executive contributions.

The transfer values disclosed above are calculated in a manner consistent with "Retirement Benefit Schemes – Transfer Values (GNI 1)" published by the Institute of Actuaries and the Faculty of Actuaries. They do not represent a sum paid or payable to the individual Director, but instead represent a potential liability of the pension scheme.

Members of the above scheme have the option to pay Additional Voluntary Contributions; neither such contributions nor the resulting benefits are included in the table above.

Mr. C. J. Davies stopped accruing pension benefit in the main registered scheme from 1 January 2009 and began accruing benefit in the Employer Financed Retirement Benefits Scheme ("EFRBS"). The figures quoted in the table above represent his total entitlement in both schemes.

DIRECTORS' REMUNERATION REPORT CONTINUED

INCLUDING THE STATEMENT OF REMUNERATION POLICY FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS' SHARE OPTIONS (AUDITED)

Mr. C. V. Geoghegan, Mr. D. A. Haxby, Mrs. V. Murray, Mr. J. C. Nicholls and Mr. L. O. Tench, as Non-Executive Directors, did not hold or have granted any share options during the year.

The share options for the other Directors who held office at any time during the year ended 31 December 2009 are set out below:

Date on which scheme interest was awarded	Market price when scheme was awarded	Number of shares			Market price at date of:		Exercise dates		Adjusted option price per 10p share	Earliest vesting date	Date exercised	Date on which option expires		
		At 1 January 2009	Number of additional shares awarded on 14 April 2009 following open offer*	Granted	Exercised	Lapsed	31 December 2009	per 10p share					per 10p share	
Deferred Annual Bonus														
C. J. Davies														
13/04/2006	866.3p	1,447	305	–	–	(1,752)	–	Nil	Nil	–	–	13/04/2009	–	12/04/2016
17/04/2007	1,166.0p	1,072	226	–	–	–	1,298	Nil	Nil	–	–	17/04/2010	–	16/04/2017
Long Term Incentive Plan														
M. J. Chivers														
13/04/2006	911.7p	13,436	2,835	–	–	(16,271)	–	Nil	Nil	–	–	13/04/2009	–	12/04/2016
17/04/2007	1,300.8p	9,917	2,093	–	–	–	12,010	Nil	Nil	–	–	17/04/2010	–	16/04/2017
14/04/2008	801.1p	25,277	5,335	–	–	–	30,612	Nil	Nil	–	–	14/04/2011	–	13/04/2018
16/09/2009	138.2p	–	–	80,476	–	–	80,476	Nil	Nil	–	–	16/09/2012	–	15/09/2019
C. J. Davies														
13/04/2006	911.7p	5,765	1,216	–	–	(6,981)	–	Nil	Nil	–	–	13/04/2009	–	12/04/2016
17/04/2007	1,300.8p	8,649	1,825	–	–	–	10,474	Nil	Nil	–	–	17/04/2010	–	16/04/2017
14/04/2008	801.1p	45,562	9,616	–	–	–	55,178	Nil	Nil	–	–	14/04/2011	–	13/04/2018
08/09/2008	542.3p	9,220	1,948	–	–	–	11,168	Nil	Nil	–	–	08/09/2011	–	07/09/2018
16/09/2009	138.2p	–	–	173,248	–	–	173,248	Nil	Nil	–	–	16/09/2012	–	15/09/2019
G. W. Davies														
13/04/2006	911.7p	14,808	3,125	–	–	(17,933)	–	Nil	Nil	–	–	13/04/2009	–	12/04/2016
17/04/2007	1,300.8p	10,955	2,312	–	–	–	13,267	Nil	Nil	–	–	17/04/2010	–	16/04/2017
14/04/2008	801.1p	28,086	5,928	–	–	–	34,014	Nil	Nil	–	–	14/04/2011	–	13/04/2018
16/09/2009	138.2p	–	–	111,773	–	–	111,773	Nil	Nil	–	–	16/09/2012	–	15/09/2019
Savings Related Schemes														
M. J. Chivers														
10/05/2004	360.0p	5,450	1,150	–	–	(6,600)	–	300.0p	247.8p	–	–	01/07/2009	–	31/12/2009
C. J. Davies														
10/05/2004	360.0p	5,450	1,150	–	–	(6,600)	–	300.0p	247.8p	–	–	01/07/2009	–	31/12/2009
Total		185,094	39,064	365,497	–	(56,137)	533,518							

* Adjusted in accordance with the rules of the schemes.

No price has been paid for any awards of share options which were unexpired at any time in the financial year.

The market price of the shares at 31 December 2009 was 112.1p and the range during 2009 was 86.4p to 219.0p.

The aggregate of the total theoretical gains on options exercised by the Directors during 2009 amounted to £nil (2008: £794,123). This is calculated by reference to the difference between the closing mid-market price of the shares on the date of exercise and the exercise price of the options, disregarding whether such shares were sold or retained on exercise and is stated before tax.

A resolution to approve this report will be proposed at the Annual General Meeting.

The Board of SIG plc has approved this Directors' Remuneration Report.

On behalf of the Board



CHRIS GEOGHEGAN
CHAIRMAN OF THE REMUNERATION COMMITTEE
17 MARCH 2010