

## SUMMARY OF THE PRINCIPAL FEATURES OF THE JOHN MENZIES PLC 2005 LONG TERM INCENTIVE SCHEME

### Introduction

The John Menzies plc 2005 Long Term Incentive Scheme ("LTIS") offers executives the opportunity to benefit from the success of the Company, as measured through growth in headline earnings per share ("EPS"), through the award of shares. Shares will vest at the end of three years if EPS reaches targets set by the Board.

### Eligibility

Selected senior executives of the Company or its subsidiaries are eligible to participate in the LTIS.

### Grants of Awards

The Board may grant to selected executives ("Participants") an award of conditional shares under the rules of the LTIS. An Award Certificate will set out the number of conditional shares being awarded and the Performance Targets which will determine the extent to which the number of shares stated in the Award will vest.

### Performance Targets

Performance Targets will normally relate to a period of three financial years ("the Performance Period"), and will be challenging criteria normally based on real growth in earnings per share. The Performance Targets for the first period shall be:

Percentage growth in the Company's EPS during the three years to 31 December 2007	Percentage award vesting
RPI + 3%p.a. or less	Nil
RPI + 8%p.a. or more	100%
Between RPI + 3%p.a. and RPI + 8%p.a.	To be calculated on a straight line basis

There will be no retesting of Performance Targets.

### Commencement, Duration and Amendment of the LTIS

The first award under the LTIS will be made within 42 days of the adoption of the LTIS by shareholders in General Meeting. No award may be made more than 10 years after the adoption of the LTIS. The LTIS may be altered at any time provided that no alteration is made which adversely affects the Participants without their consent, and no amendments to the advantage of Participants or to the main terms may be made without shareholder consent.

### Vesting of Shares

The Board will notify each Participant after the announcement of the Preliminary Results for the last financial year in the Performance Period of the extent to which the Performance Targets have been met and the number of shares which will be awarded or vest (if any) for the Performance Period. The Company will thereafter procure the transfer of these vested shares to the Participant.

**Dividends**

The Company will pay to each Participant an amount equal to the net dividends which would have been paid during the Performance Period on those shares which actually vest.

**Loss of or Limitations on Rights**

If a Participant leaves the employment of the Group, rights on all shares held under the LTIS shall immediately lapse, although special rules apply on leaving due to ill health, retirement, redundancy, disposal/change of control of the Company, death, or in other circumstances where the Board deems it appropriate. Under these special rules, the Board may determine whether and if so how many shares will vest taking into account the Performance Targets and how much of the Performance Period has elapsed.

No share will be transferred to a Participant where any statutory, regulatory or other legal provision restricts the Company or the executive from dealing in shares or while his employment is suspended on grounds of gross misconduct.

No award may be assigned or transferred (except to personal representatives on the Participant's death).

**Other Matters***Rights*

The inclusion of a Participant in this Scheme or the terms of an Award shall not afford the Participant any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Group for any reason whatsoever (including wrongful or unfair dismissal), or from the lapsing of any share awards. Awards will not be pensionable.

*LTIS Limits*

Although the Company will normally seek to use existing shares held by an employee benefit trust for the LTIS, it may issue shares. In such case, the total number of new shares which the Company may allot to satisfy awards is limited to 10% of the issued share capital of the Company including all new shares allotted under any other employee share scheme in the 10 years up to and including the allotment of such new shares, or 5% in 10 years for any discretionary executive scheme.

No Participant may be granted an award of more than 100,000 conditional shares in any year.

*Variation of Share Capital*

The number of shares in any award may be adjusted on any variation of the share capital of the company in such manner as the Board deems to be fair and reasonable.

*Change of Control*

In the event of a takeover of the Company, awards will vest immediately subject to determination by the Board of the extent to which the Performance Targets have been met as at the date of change of control.