Remuneration Committee Report

Committee membership
The chairman of the Remuneration Committee is Michael Dearden. The other members of the Committee were Christopher Clarke and Professor Ian Percy. During the year, Lord Robertson was appointed to the Committee. The secretary to the Committee is Alan Mitchelson. The Committee consists exclusively of non-executive directors who are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. No member of the Committee has any personal financial interest, other than as a shareholder, in the matters decided by the Committee. Hewitt New Bridge Street ("Hewitt") continued to provide external advice in formulating remuneration policy and its implementation during 2008, as well as advice on employee share schemes. Hewitt's appointment was renewed by the Committee in 2008. Hewitt do not undertake any other work for the Group other than remuneration work. In carrying out its business, the Committee consults with the chairman and the chief executive as appropriate.

Committee responsibilities
The responsibilities of the Committee are as follows:

- to determine the policy on the remuneration and performance of executive directors of the Company;
- to determine the conditions of employment, including levels of salary, pension arrangements, bonuses and share awards of executive directors of the Company;
- to determine targets for any performance-related pay schemes; and
- to recommend to the Board the remuneration of the chairman of the Board.

The Committee met five times in 2008. The Committee is constituted, and operated throughout the year, in accordance with the relevant provisions of the Combined Code. This report complies with the Directors Remuneration Report Regulations 2002. The Committee's terms of reference are available from the company secretary on request and can also be found on the Company's website.

Executive directors remuneration policy
The Committee has adopted the following policy for the remuneration of executive directors throughout 2008. It is intended that this policy will apply in 2009 and future years.

The objective of the Group's remuneration policy is to attract, motivate and retain executive directors with the necessary abilities to manage and develop the Group's activities successfully for the benefit of shareholders.

Accordingly, the Committee sets remuneration packages for the executive directors to reflect both the size and complexity of the business and individual responsibilities. It also takes into consideration the remuneration practices adopted by other companies of similar size and international spread of operations. For all senior executives, the Group policy is to provide a significant part of their total potential reward through performance based incentive plans (annual bonus and long-term incentives) as described in this report.

To ensure the interests of management remain aligned with those of shareholders, executive directors are encouraged to build up a meaningful shareholding in the Company by both the purchase of shares and/or the retention of a proportion of their share awards. In addition, executive directors are obliged to convert part of their bonus into shares under the Long Term Incentive Plan ("LTIP").

Executive directors remuneration components
The components of the remuneration package comprise the following:

a) a basic salary, which is set by the Committee for each executive director by reference to companies of a similar size and industry practice and having regard to salary increases throughout the Group. There will be no change to the salaries of Mark Selway and Alan Mitchelson in 2009. However, following a review and advice from Hewitts which identified that Keith Cochrane's salary was uncompetitive with industry benchmarks, his salary is to increase by 7.5%;

b) an annual performance-related bonus. Bonus payments are intended to reflect the achievement of agreed business objectives and positive contribution to stretching the performance of the Group. The Committee reviews the bonuses payable on an annual basis and sets the targets at the beginning of the financial year. The targets used are based primarily on normalised pre-tax profits but can also on occasion include other performance measures. In 2008, the target was based solely on normalised pre-tax profits and the maximum potential bonus receivable by the chief executive was 125% of salary and for the other executive directors 100% of salary. The performance criteria and the maximum bonus potential will be the same for 2009. As a member of the LTIP, the chief executive is required to contribute 25% of his bonus in exchange for which he receives a conditional award of investment shares. The other executive directors are required to contribute 20% of their bonuses in the same manner. Investment share awards are subject to forfeiture if the director leaves the Group within three years. Bonuses are non-contractual;

c) participation in the LTIP, details of which are set out on the following pages;

d) participation in a one-off arrangement by Mark Selway, details of which are set out on the following pages;

e) participation in the Company's pension plan by Alan Mitchelson, details of which are set out on the following pages; and

f) other benefits which are the provision of a car allowance, participation in a Group health care scheme, travel allowance and death in service insurance. The Committee believes that the level and provision of benefits is consistent with that provided by other comparable companies.

The only component of the executive remuneration which is pensionable is the basic salary.

Remuneration Committee Report (Continued)

Long Term Incentive Plan
During 2008, the Company continued with its annual grant policy under the LTIP and made awards of performance shares, matching shares and investment shares:

i) Performance shares – Performance shares are conditional awards to acquire free shares subject to Group performance (see below) and continued employment until the third anniversary of the award. In 2008, conditional awards of performance shares were made worth 100% of salary to the chief executive, the group finance director and the legal and commercial director. It is the Committee's intention to make grants in 2009 of 100% of salary to the executive directors.

ii) Matching and investment shares – Matching shares are conditional awards to acquire free shares, subject to Group performance (see below) and continued employment until the third anniversary of the award. Matching shares are granted in connection with an individual's investment from their annual bonus. Under the LTIP, executive directors are required to compulsorily defer an element of any Group bonus earned (currently 25% for the chief executive and 20% for the other executive directors) in exchange for which they are awarded investment shares. In addition, executive directors are also allowed to voluntarily invest a further portion of their Group bonus (subject to any cap imposed by the Committee, currently 20%) to be further eligible for an award of matching shares. In return, the executive directors are eligible to receive a conditional award of matching shares worth a maximum of 2.5 times the pre-tax value of the bonus "invested" both on a compulsory and voluntary basis under the LTIP.

The awards are based on the Group's share price, using the average published closing price for the three dealing days immediately preceding the date of award.

The vesting of conditional awards of performance and matching shares is subject to the satisfaction of a highly demanding performance condition. For the performance share awards granted in 2008, the performance condition will be based on the growth in the Group's total shareholder return ("TSR") over a single three-year performance period (three consecutive financial years, beginning with the year in which the award is made) relative to the growth in the TSR of a comparator group ("the Comparator Group"). The Comparator Group comprises the following 18 companies: AGA Foodservice Group, Bodycote International, Cookson Group, Enodis, FKI, Halma, IMI, Meggitt, Mitie Group, Morgan Crucible Company, Rolls-Royce, Rotork, Senior, Smiths Group, Spirax-Sarco Engineering, Tomkins, Wood Group and WS Atkins. Only if the Company's TSR ranks in the upper quintile of the comparator group will the full awards be receivable. This reduces on a sliding scale so that for median performance, 25% of the awards will be receivable. For below median performance, none of the awards will be receivable. For awards granted in 2009, the performance conditions and the Comparator Group will be the same as for the 2008 awards, except that FKI and Enodis are no longer listed on the London Stock Exchange.

TSR has been selected as one of the performance conditions by the Committee. The Committee considers TSR to be a suitable long-term performance measure. The TSR calculation will be performed independently for the Committee at the time of vesting.

In addition to TSR performance, for any of the performance and matching shares to vest, the growth in the Company's earnings per share over the performance period must be equal to or greater than the growth in the UK Retail Prices Index over the same period.

Conditional share award
In 2008, the shareholders approved a one-off conditional award of 405,953 shares to Mark Selway, which will vest on the third anniversary of 8 May 2008 subject to specified performance conditions being achieved. The performance conditions are based on Earnings Per Share (EPS) subject to adjustment on a reasonable basis at the discretion of the Committee. 25% of the award will vest if EPS exceeds the UK Retail Prices Index (RPI) by 7% p.a., increasing on a sliding scale to the full award vesting if EPS exceeds RPI by 13% p.a. In addition, Mark Selway is required to retain his current shareholding for the award to vest.

The Committee believes that the EPS targets it has put in place for this one-off award are extremely challenging in today's market place, given the future growth prospects for 2009 and 2010 and, since the LTIP measures TSR performance, vesting should be linked to the financial performance of the Group.

Pensions
Alan Mitchelson is a member of the Company's 1972 pension and life assurance plan. The plan is a defined benefit contributory plan with the active members contributing 8% of salary. The balance of the cost of the plan is met by the Company having taken account of the trustee's opinion arrived at by considering the funding recommendations of the plan's independent actuary.

The plan targets a pension of two thirds of final salary payable at normal retirement date, providing a member then has at least 24 years pensionable service. Where a member has less than 24 years pensionable service to normal retirement date their pension currently accrues at 1/36th of final salary per annum.

For members, salary (both for contributions and for plan benefits) is subject to a plan specific earnings cap. This is currently £117,600.

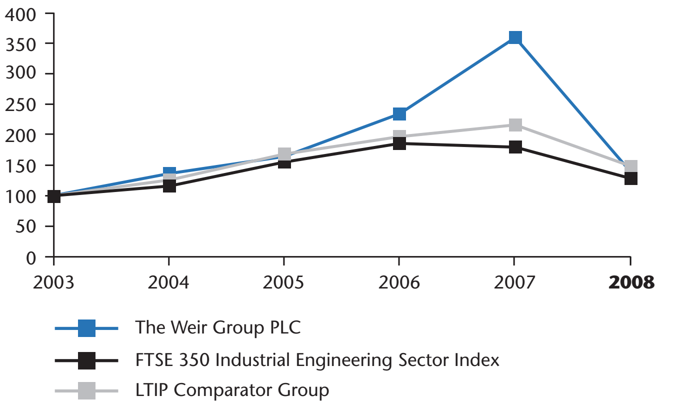
The plan provides for a surviving spouse's pension of one half of the member's pension and, in certain circumstances, for a dependent child's pension until the child attains the age of 18 years (or 25 years if in full time further education). Pensions in payment increase by an amount equal to retail price inflation up to 5% per annum for service up to April 2006. For service after April 2006, the increase is up to 2.5% per annum. Deferred pensions increase by an amount equal to retail price inflation up to 5% per annum.

Life assurance cover of five times salary is provided separately for each of the executive directors.

Mark Selway and Keith Cochrane are responsible for their own pension arrangements.

Performance graph

The graph below compares the Company's total shareholder return performance over a five year period against the LTIP Comparator Group and the FTSE 350 Industrial Engineering Sector Index. The Board believes that both the FTSE Index and the Comparator Group represent an appropriate and fair benchmark upon which to measure the Group's performance for this purpose.



This chart shows the value, at the end of the 2008 financial year, of £100 invested in The Weir Group PLC over the last five financial years compared with the value of £100 invested in the average of the Comparator Group and the FTSE 350 Industrial Engineering Sector Index. The other points plotted are values at intervening financial year ends.

Directors contracts/terms of appointment

The details of the service contracts in relation to the executive directors and letters of appointment in relation to the non-executive directors who served during the year are:

Director	Contract commencement date	Unexpired term/next re-election	Notice period by company
Lord Smith	6 February 2002	May 2010	6 months
Christopher Clarke[1]	14 December 1999	n/a	n/a
Michael Dearden	17 February 2003	13 May 2009	6 months
Stephen King	3 February 2006	May 2011	6 months
Professor Ian Percy	11 October 1996	13 May 2009	6 months
John Mogford	1 June 2008	13 May 2009	6 months
Lord Robertson	1 February 2004	13 May 2009	6 months
Keith Cochrane	3 July 2006	12 months	12 months
Alan Mitchelson	12 December 2001	12 months	12 months
Mark Selway	5 June 2001	12 months	12 months
Richard Menell	1 April 2009	13 May 2009	6 months

[1] Christopher Clarke retired as a director on 31 December 2008

Executive directors service contracts

To recruit the best executives, the Committee has in the past and may in the future, agree contractual notice periods which initially exceed 12 months particularly as it is often necessary for executives to relocate their families. All the directors who served during the year have service contracts with the Company that provide for a minimum period of notice of six months by the individual and 12 months by the Company. In the event that the Company terminated an executive director's service contract other than in accordance with its terms, the Committee, when determining what compensation, if any, should properly be paid by the Company to the departing director, will give full consideration to the obligation of that director to mitigate any loss which he may suffer as a result of the termination of his contract.

Executive directors external appointments

The executive directors are permitted, with Board agreement, to take up one non-executive appointment provided that there is no conflict of interest and that the time spent would not impinge on their work for the Group. It is the Company's policy that remuneration earned from such appointments may be kept by the individual executive director. During 2008, Mark Selway was appointed to the board of Lend Lease Corporation Limited, an Australian and New Zealand listed company. His remuneration in respect of this appointment is A$140,000.

Letters of appointment

The chairman and each of the non-executive directors have letters of appointment. The letters of appointment do not contain any contractual entitlement to a termination payment and the directors can be removed in accordance with the Company's articles of association. The chairman and all non-executive directors are subject to re-election by shareholders at least every three years, with the exception of any director whose appointment exceeds nine years, in which case there is a requirement for annual re-election.

Remuneration of the chairman & non-executive directors

The remuneration of the chairman is agreed by the Board on the recommendation of the Committee. Fees for the non-executive directors are determined by the Board. In determining the fee levels, account is taken of the time commitment, scale of roles, market norms and comparison with companies of equivalent size based on information provided by Hewitt. Neither the chairman nor any of the non-executive directors participate in any of the Company's incentive plans or receive pension or other benefits, except that the chairman is entitled to participate in the Group health care scheme and an additional allowance is made available to non-executive directors to reflect the additional time commitment in attending intercontinental board meetings and operational visits, where appropriate. The chairman and the non-executive directors are not involved in any discussions or decisions about their own remuneration.

The non-executive directors fees and chairman's remuneration are reviewed annually by the Board. The last increase was in 2007. There will be no change to the Chairman's remuneration or fees for the non-executive directors in 2009, with the exception that on 1 November 2009, Michael Dearden will become senior independent director and the fees payable to him will increase by £2,500 to £50,000.

Remuneration Committee Report (Continued)

Directors remuneration #

	Notes	Salary & Fees £	Bonus (Note v) £	Benefits (Note vi) £	Total 2008 £	Total 2007 £
Chairman and non-executive directors:						
Lord Smith		175,000	-	5,838	180,838	169,221
Christopher Clarke		40,000	-	5,238	45,238	39,000
Michael Dearden	i	47,500	-	5,238	52,738	45,875
Stephen King	ii	47,500	-	-	47,500	45,875
John Mogford	iv	23,333	-	5,010	28,343	-
Professor Ian Percy	iii	50,000	-	4,862	54,862	49,000
Lord Robertson		40,000	-	-	40,000	39,000
		423,333	-	**26,186**	**449,519**	387,971
Executive directors:						
Keith Cochrane		370,521	375,000	23,946	769,467	728,637
Alan Mitchelson		306,840	317,000	21,452	645,292	564,717
Mark Selway		567,105	717,500	21,435	1,306,040	1,269,019
		1,667,799	**1,409,500**	**93,019**	**3,170,318**	2,950,344
Previous year comparatives		1,557,386	1,316,520	76,438		

Audited

(i) The fees for Michael Dearden include £7,500 for services as chairman of the Remuneration Committee (2007: £6,875).

(ii) The fees for Stephen King include £7,500 for services as chairman of the Audit Committee (2007: £6,875).

(iii) The fees for Professor Ian Percy include £10,000 for services as deputy chairman and for his role as senior independent director (2007: £10,000).

(iv) John Mogford was appointed on 1 June 2008.

(v) The bonus figures for Keith Cochrane, Alan Mitchelson and Mark Selway include £75,000 (2007: £71,415), £63,400 (2007: £55,269) and £179,375 (2007: £170,775) respectively, which will be compulsorily deducted from their bonus in exchange for which they will be awarded investment shares which, subject to remaining employed with the Group, will be receivable on the third anniversary of the 2009 award.

(vi) Benefits include, as appropriate, car allowance, participation in the Group health care scheme, travel allowance and death in service insurance.

Awards under the Group Long Term Incentive Plan

	Date of Award	Scheme	Number of awards as at 28 Dec 2007	Granted during year	Vested during year	Number of awards as at 26 Dec 2008	Market price at date of award	Normal exercise period (Note ii)
Keith Cochrane	24 Aug 06	A*	76,695	-	-	76,695	445p	24.08.09 - 24.11.09
	29 Jun 07	A*	38,677	-	-	38,677	730p	29.06.10 - 29.09.10
	29 Jun 07	B	3,611	-	-	3,611	730p	29.06.10 - 29.09.10
	25 Mar 08	A*	-	86,101	-	86,101	730p	25.03.11 - 25.06.11
	25 Mar 08	B	-	9,896	-	9,896	730p	25.03.11 - 25.06.11
	8 May 08	A*	-	8,699	-	8,699	900.5p	08.05.11 - 08.08.11
			118,983	**104,696**		**223,679**		
Alan Mitchelson	1 Apr 05	A*	32,925	-	32,925	-	322p	01.04.08 - 01.07.08
	4 Apr 06	A*	48,123	-	-	48,123	445p	04.04.09 - 04.07.09
	4 Apr 06	B	5,939	-	-	5,939	445p	04.04.09 - 04.07.09
	29 Jun 07	A*	56,009	-	-	56,009	730p	29.06.10 - 29.09.10
	29 Jun 07	B	5,590	-	-	5,590	730p	29.06.10 - 29.09.10
	25 Mar 08	A*	-	66,611	-	66,611	730p	25.03.11 - 25.06.11
	25 Mar 08	B	-	7,659	-	7,659	730p	25.03.11 - 25.06.11
	8 May 08	A*	-	7,354	-	7,354	900.5p	08.05.11 - 08.08.11
			148,586	**81,624**	**32,925**	**197,285**		
Mark Selway	1 Apr 05	A*	105,524	-	105,524	-	322p	01.04.08 - 01.07.08
	4 Apr 06	A*	127,430	-	-	127,430	445p	04.04.09 - 04.07.09
	4 Apr 06	B	17,334	-	-	17,334	445p	04.04.09 - 04.07.09
	29 Jun 07	A*	92,539	-	-	92,539	730p	29.06.10 - 29.09.10
	29 Jun 07	B	15,659	-	-	15,659	730p	29.06.10 - 29.09.10
	25 Mar 08	A*	-	122,790	-	122,790	730p	25.03.11 - 25.06.11
	25 Mar 08	B	-	23,664	-	23,664	730p	25.03.11 - 25.06.11
	8 May 08	A*	-	13,315	-	13,315	900.5p	08.05.11 - 08.08.11
			358,486	**159,769**	**105,524**	**412,731**		

Audited

* The figures shown are maximum entitlements and the actual number of shares (if any) which vest will depend on the performance conditions being achieved as set out on page 34.

Scheme A: Performance and Matching Shares

Scheme B: Compulsory Investment Shares

Conditional share award

	Notes	Date of award	Date of vesting	Number of shares awarded	Market price at date of award
Mark Selway	i, ii	8 May 2008	8 May 2011	405,953	900.5p

Audited

(i) Awards take the form of nil cost options and have no performance retesting facility.

(ii) Awards can be exercised after the third anniversary of the award date, subject to the performance conditions.

Remuneration Committee Report (Continued)

Awards exercised during 2008

	Date of award	Date of exercise	Number of shares exercised	Number of shares sold to settle tax liability	Price shares sold at	Balance of shares retained	Market price at date of vesting	Market price at date of award
Alan Mitchelson	1 Apr 2005	1 Apr 2008	32,925	13,398	768.6p	19,527	779p	322p
Mark Selway	1 Apr 2005	1 Apr 2008	105,524	42,942	768.6p	62,582	779p	322p
			138,449	**56,340**	-	**82,109**	-	-

Audited

On 1 April 2008, the 2005 awards under the Group Long Term Incentive Plan vested in full as the Company's TSR ranked in the upper quintile of the Comparator Group. Alan Mitchelson and Mark Selway exercised their awards as set out above, selling sufficient shares to pay the relevant tax and national insurance and the balance of the shares were retained by them. The aggregate gains made on all award exercises by directors during the year totalled £1,078,518 (2007: £1,350,665).

The closing market price of the Company's shares at 26 December 2008 was 315.25p and the range for the year was 271.5p to 969p.

Directors pension benefits

Alan Mitchelson was a member of a defined benefit scheme provided by the Group during the year 2008. Mark Selway and Keith Cochrane are responsible for their own pension provision. Pension entitlement and the corresponding transfer values were as follows during the year:

		Disclosures under Directors' Remuneration Report Regulations 2002							Listing Rules	
		Accrued pension			Transfer value of accrued pension					
	Notes	At year start £	Increase during the year £	At year end (note 1) £	At year start £	Change during the year net of directors ordinary contributions (note 3) £	Directors ordinary contributions £	At year end (note 2) £	Increase in accrued pension during the year (net of inflation) £	Transfer value of increase (net of inflation) (note 2) £
Alan Mitchelson	4,5	26,163	4,380	30,543	531,724	148,560	9,120	689,404	3,281	65,320

Audited

1. The pension entitlement shown is that which would be paid annually on normal retirement, prior to any cash commutation, based on pensionable service to the end of the year.
2. With effect from 1 October 2008, Government legislation requires the trustees (having taken actuarial advice) to take responsibility for setting the assumptions underlying the calculation of voluntary transfer values to be paid from the plan. Prior to this date the scheme actuary had this responsibility. Consequently, the transfer value of the accrued pension at the year end has been calculated in accordance with this new requirement.
3. The change in the amount of the transfer value over the year is made up of the following elements:

   a. transfer value of the increase in accrued pension (net of inflation);
   b. transfer value of the increase in accrued pension (due to inflation);
   c. increase in the transfer value of accrued pension at year start due to ageing;
   d. impact of any change in the economic or mortality assumptions underlying the transfer value basis – as referred to in 2. above; and
   e. less the director's ordinary contributions.

   The change in the amount of the transfer value over the year includes the effect of fluctuations in the transfer value due to factors beyond the control of the Group and directors, such as stockmarket movements; which will be reflected within d. above.
4. The figures allow for the impact of the plan specific earnings cap. Alan Mitchelson does not have an entitlement to an excepted (formerly known as unapproved) pension from the Group.
5. Payment of actual transfer values (from the defined benefit scheme) are not currently reduced below 100% of their full value.

Directors interests

The interests of the directors in the ordinary shares of the Company as at 26 December 2008 and at the end of the preceding financial year were as follows:

	As at 26 December 2008			As at 28 December 2007		
	Shares	Conditional award	LTIP awards	Shares	Conditional award	LTIP awards
Lord Smith	138,400	-	-	52,400	-	-
Christopher Clarke	10,000	-	-	10,000	-	-
Keith Cochrane	9,823	-	223,679	5,185	-	118,983
Michael Dearden	10,000	-	-	10,000	-	-
Stephen King	50,050	-	-	1,050	-	-
Alan Mitchelson	121,557	-	197,285	98,441	-	148,586
John Mogford	4,531	-	-	-	-	-
Prof Ian Percy	-	-	-	-	-	-
Lord Robertson	2,637	-	-	2,637	-	-
Mark Selway	273,978	405,953	412,731	211,398	-	358,486

(i) At the date of this report the interests of the directors in the shares of the Company remain as stated above, except that Christopher Clarke retired as a director on 31 December 2008.

(ii) No director had, during or at the end of the year, any material interest in any contract of any significance in relation to the Company’s business, in any debenture stocks of the Company, or in the share capital or debenture or loan stocks of any subsidiary.

(iii) In the case of John Mogford, the comparative figure is as at his date of appointment to the Board.

Michael Dearden
Chairman of the Remuneration Committee
Signed and approved for and on behalf of the Board
10 March 2009