

BOARD OF DIRECTORS

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MEMBERS OF THE EXECUTIVE COMMITTEE

FAR LEFT: RON CASE
LEFT: LAUNIE FLEMING

MAIN BOARD

The main Board met a total of nine times during the period 1 January 2008 and 31 December 2008. There was full attendance at every Board meeting during the year.

AUDIT COMMITTEE

David Best (Chairman), Ian Much and Michael Steel. Michael Steel was appointed to the Committee in May 2008, upon his appointment to the Board. The Committee met three times during the year.

NOMINATIONS COMMITTEE

Martin Clark (Chairman), David Best, Ian Much and Michael Steel. Michael Steel was appointed to the Committee in May 2008, upon his appointment to the Board. The Committee met five times during the year.

REMUNERATION COMMITTEE

Ian Much (Chairman), David Best, Martin Clark and Michael Steel. Michael Steel was appointed to the Committee in May 2008, upon his appointment to the Board. The Committee met five times during the year.

HEALTH, SAFETY & ENVIRONMENT COMMITTEE

Mark Rollins, Mike Sheppard, Ron Case (Chief Executive of Aerospace Structures) and Launie Fleming (Chief Executive of Aerospace Fluid Systems). Mark Rollins became Chairman of the HSE Committee upon Graham Menzies' retirement. Launie Fleming joined the HSE Committee in October 2008. The Committee met five times during the year. James Pomeroy, the Group HSE Manager, also attends each Committee meeting.

There was full attendance at every meeting of the Committees of the Board during the year.

EXECUTIVE COMMITTEE

The Executive Committee, although not formally appointed as a Committee of the Board, oversees the running of all Senior Group operations.

It comprises three members of the Board: Mark Rollins, Simon Nicholls and Mike Sheppard; together with Ron Case (Chief Executive of Aerospace Structures) and Launie Fleming (Chief Executive of Aerospace Fluid Systems), whose biographical details are set out below. Bindi Foyle, Group Financial Controller, acts as Secretary to this Committee.

RON CASE A US citizen, he has worked for the Group for more than 10 years, and is the Chief Executive of Aerospace Structures. Joined the Executive Committee upon his appointment as a Divisional Chief Executive in 2004. Prior to that appointment he had been Chief Executive of Senior Aerospace Jet Products and of Senior Aerospace Ketema.

LAUNIE FLEMING A US citizen, he has worked for the Group for more than 10 years. Joined the Executive Committee upon his appointment as Chief Executive of Aerospace Fluid Systems in September 2008. Prior to that appointment he had been Chief Executive of Senior Aerospace SSP.

The purpose of the Committee is to assist the Group Chief Executive in the performance of his duties, including:

- the development and implementation of strategy, operational plans, policies, procedures, and budgets;
- the monitoring of operating and financial performance;
- the assessment and control of risk;
- the prioritisation and allocation of resources; and
- the monitoring of competitive forces in each area of operation.

The Committee is also responsible for the consideration of all other matters not specifically reserved for consideration by the Board. A report on the Executive Committee's activities is provided to the Board by the Group Chief Executive at each Board meeting.

Chairman's statement

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DIRECTORS' REPORT

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The Directors present their Report and supplementary reports, together with the audited Financial Statements for the year ended 31 December 2008.

ACTIVITIES AND BUSINESS REVIEW

Senior plc is a holding company. The nature of the Group's operations and its principal activities are set out in the Operating and Financial Review ("OFR") on pages 10 to 23. Its Principal Group Undertakings are shown on page 82 and comments on both of the Division's results and activities in 2008 are included in the OFR. The OFR includes details of the principal risks and uncertainties facing the Group, expected future developments in the Group's business, an indication of its activities in the field of research and development, and details of the key performance indicators used by management.

ACQUISITIONS AND DISPOSALS

Capo Industries, Inc. was acquired on 25 January 2008; details of the transaction are set out in Note 32 to the Financial Statements on pages 70 and 71. There were no disposals during the year.

RESULTS AND DIVIDENDS

The results for the year are shown in the Consolidated Income Statement on page 41.

An interim dividend of 0.90 pence per share (2007 – 0.70 pence) has already been paid and the Directors recommend a final dividend of 1.70 pence per share (2007 – 1.70 pence). The final dividend, if approved, will be payable on 29 May 2009 to shareholders on the register at the close of business on 1 May 2009. This would bring the total dividend for the year to 2.60 pence per share (2007 – 2.40 pence).

SHARE CAPITAL

The Company has one class of ordinary shares, which carries no right to a fixed income. Each share carries the right to vote at general meetings of the Company. Changes in the Company's issued share capital during 2008 were:

Shares in issue at 1 January 2008	390,805,600
Senior plc Savings-Related Share Option Plan	251,158
Senior plc Long Term Incentive Plan	1,676,231
Senior plc Executive Share Option Plan	5,590,959
Shares in issue at 31 December 2008	398,323,948

Further share capital details are given in Note 25 to the Financial Statements on page 68. Details of employee share plans are set out on pages 74 and 75.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Company's Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the

Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital, and all issued shares are fully paid. Shares held by the Senior plc Employee Benefit Trust typically vote in favour of shareholder resolutions prepared by the Board.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Combined Code, the Companies Act 2006 and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Matters Reserved for the PLC Board, which may be found on the Company's website, and in the Corporate Governance Report on page 24.

Each year the Board seeks shareholder approval to renew the Board's authority to allot relevant securities. There are also a number of other agreements that take effect, alter or terminate upon a change of control of the Company, such as commercial contracts, bank loan agreements, property lease arrangements, and employees' share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

FINANCIAL INSTRUMENTS

Note 21 to the Financial Statements on pages 64 to 66 contains disclosures on Financial Instruments.

DIRECTORS

Details on the Directors who served throughout the year can be found on page 6. The Directors' interests in the shares of the Company are included in the Remuneration Report on page 32. None of the Directors has any interest in contracts with the Company or its subsidiary undertakings.

Graham Menzies retired from the Board in April 2008. Mark Rollins was appointed Group Chief Executive and Chairman of the Health, Safety & Environment Committee in March 2008.

Simon Nicholls, Group Finance Director, was appointed to the Board on 1 May 2008; he has a service agreement which is subject to 12 months' notice by either party. He retires in accordance with Article 77(i) and, being eligible, offers himself for election at the Annual General Meeting on 24 April 2009.

Michael Steel was appointed non-executive Director on 1 May 2008. He too retires in accordance with Article 77(i) and, being eligible, offers himself for election.